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असाधारण

EXTRAORDINARY

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PART I—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation

MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 14th April 1976

SUBJECT: *Import Trade Control Hand Book of Rules and Procedure, 1976-77*

No. 30-ITC(PN)/76—A revised edition of the Import Trade Control Hand Book of Rules and Procedure is issued under this Public Notice.

2. The date "12th April, 1976" mentioned in the Foreword may be deemed to have been amended as 14th April, 1976.

P. K. KAUL,
Chief Controller of Imports and Exports,
(395)

वाणिज्य मंत्रालय

सार्वजनिक सूचना

आयात व्यापार नियंत्रण

नई दिल्ली, 14 अप्रैल 1976

विषय—आयात व्यापार नियंत्रण, नियम तथा क्रियाविधि पुस्तिका, 1976-77

संख्या 30-आईटीसी (पीएन)/76.—आयात व्यापार नियंत्रण नियम तथा क्रियाविधि पुस्तिका का परिशोधित संस्करण इस सार्वजनिक सूचना के अन्तर्गत जारी किया जाता है।

2. आमुझ में उल्लिखित तिथि “12 अप्रैल, 1976” 14 अप्रैल, 1976 के रूप में संशोधित की गई समझी जाए।

पी० के० कौल,
मुख्य निबंधक, आयात-निर्यात।

CHAPTER I

INTRODUCTION

Historical background

1. *Origin* : Import Trade Control was introduced in India as a war time measure in the early period of the Second World War. A notification regarding this was issued on May 20, 1940, in exercise of the powers conferred under the Defence of India Rules. The primary objective of this notification was to conserve foreign exchange resources and to restrict physical imports so as to reduce the pressure on the limited available shipping space. Under the initial order the import of only 68 commodities, mainly consumer goods, were brought under control. Subsequently, as foreign exchange resources came under pressure, import control was extended to other commodities as well. On December 31, 1940, unmanufactured and semi-manufactured steel were brought under control. On February 15, 1941, the import of machine tools was controlled. On August 23, 1941, many other commodities particularly capital goods and other industrial requirements were brought within the purview of import control. This process of increasing the coverage under the import control continued. In January, 1942, some more items were brought under its purview. Finally, on July 1, 1943, a consolidated notification was issued covering all the controlled items, except machine tools.

2. *Development of the legislation* :

After the end of the war, the Defence of India Rules lapsed and hence in September, 1946, the Emergency Provisions (Continuance) Ordinance, 1946, was promulgated to continue to Import Trade Control provisions. This was ultimately replaced by the Imports and Exports (Control) Act, 1947 (18 of 1947) which came into force with effect from 25th March, 1947, initially for a period of three years. Thereafter the validity of this Act was extended for two successive terms of 5 years each, one term of six years and a further term of 5 years upto March 31, 1971. Thereafter this Act was extended for an indefinite period. Several notifications had, from time to time, been issued under this Act. These were replaced by a consolidated Order called the Imports

(Control) Order No. 17/55, dated December 7, 1955. This Order, as amended from time to time, continues to be in force. On November 4, 1975, the Imports & Exports (Control) Amendment Ordinance, 1975 (No. 19 of 1975), was promulgated with a view to making provisions for stringent action for misuse of import facilities. The Ordinance was later replaced by the Imports & Exports (Control) Amendment Act, 1976, as passed by Parliament. The Imports and Exports (Control) Act, 1947, and the Imports (Control) Order, 1955, as amended upto 31st March, 1976, are reproduced in Appendices 1 and 2 to this book.

3. *Items under control* :

At present, Import Control covers practically all articles and these are included in Schedule I to the Imports (Control) Order, 1955. The import of such items is prohibited except under and in accordance with a licence or a customs clearance permit issued under the said Order or an Open General Licence issued by the Central Government, or if they are covered by any of the savings mentioned in Clause 11 of the aforesaid Order. Import of gold, silver, currency notes, bank notes and coins is controlled by the Reserve Bank of India, under the Foreign Exchange Regulations Act.

Licensing Authorities

4. The Office of the Chief Controller of Imports was set up in New Delhi on August 23, 1941. Subsequently, other subordinate licensing offices were also set up.

5(1) Apart from the Chief Controller of Imports and Exports, Udyog Bhavan, New Delhi (telegraphic address and telephone numbers CHIFCONIMPEX New Delhi (371275), there are the following regional licensing authorities. Their telegraphic addresses, telephone numbers and jurisdiction are given below :—

Licensing authorities and their jurisdiction.

- (i) The Joint Chief Controller of Imports and Exports, 4-Esplanade East, Calcutta, with jurisdiction over the States of Orissa, Bihar, West Bengal, Tripura, Sikkim and Andaman and Nicobar Islands, including applications from actual users for import of iron and steel. Applications for iron and steel from the following categories are centralised with this office :—

- (i) Actual users sponsored by Jute Commissioner/Tea Board.

Telegraphic address & telephone number

CONIMPEXTRA
CALCUTTA
236830

- (ii) Public Sector undertakings, including STC, MMTC, major steel plants in the private sector, but excluding public sector undertakings borne on the books of DGTD. However, applications from public sector agencies for the items the import of which is canalised will be dealt with by the CCI&E (RM Cell), Udyog Bhavan, New Delhi.
- (iii) Import application against Govt. contracts, i.e. contracts placed by the DGS&D, Railways and Defence.
- (iv) Applications for import of ships for breaking purposes.
- (ii) The Joint Chief Controller of Imports and Exports, New Central Govt. Office Building, SE Wing, New Marine Lines, Churchgate, Bombay-400001, with jurisdiction over the whole of re-organised States of Madhya Pradesh and Maharashtra, including applications from actual users for import of iron and steel. (Applications for import of iron and steel from actual users in the large scale sector and sponsored by the Textile Commissioner are centralised with this office).
- (iii) The Joint Chief Controller of Imports and Exports, Customs House, Madras, with jurisdiction over the whole of Tamil Nadu State, including applications from actual users for import of iron and steel.
- (iv) The Joint Chief Controller of Imports and Exports, Central Licensing Area, Indraprastha Bhavan 'A' Wing, New Delhi, with jurisdiction over the whole of Rajasthan, Punjab, Haryana, Delhi, Chandigarh and Himachal Pradesh.
- (v) The Deputy Chief Controller of Imports and Exports, Ashirwad Building, Panjim (Goa), with jurisdiction over Goa, Daman and Diu, and Dadra and Nagar Haveli, including applications from actual users for import of iron and steel.
- (vi) The Deputy Chief Controller of Import and Exports, T.D. Road Ernakulam Cochin-11 with jurisdiction over whole of Kerala State and union territory Lakshadweep including applications from actual users for import of iron & Steel.
- (vii) The Deputy Chief Controller of Imports and Exports, 7/194, Swaroop Nagar, Kanpur-2, with jurisdiction over the whole of Uttar Pradesh, including applications from actual users for import of iron and steel.
- (viii) The Deputy Chief Controller of Imports and Exports, Multi-storeyed offices Building near Lal Darwaja, Ahmedabad with jurisdiction over the whole of Gujarat State excluding those districts of old Bombay State which were formerly known as Saurashtra, including applications from actual users for import of iron and steel.
- CONIMPEXTRA
BOMBAY
298040
- CONIMPEXTRA
MADRAS
PMB 21351
- CONIMPEXTRA
NEW DELHI
275409
- CONIMPEXTRA
PANJIM
2743
- CONIMPEXTRA
ERNAKULAM
31397
- CONIMPEXTRA
KANPUR
69648
- CONIMPEXTRA
AHMEDABAD
26427

- | | |
|--|--|
| (ix) The Deputy Chief Controller of Imports and Exports, Premises No. 11-6-860, Red Hills, Hyderabad, with jurisdiction over the whole of Andhra Pradesh, except areas which are under the jurisdiction of Controller of imports & Exports, Visakhapatnam, including applications from actual users for import of iron and steel. | CONIMPEXTRA
HYDERABAD
32061 |
| (x) The Deputy Chief Controller of imports and Exports, Syndicate Bank Building, P.B. No. 9688, Gandhi Nagar, Bangalore-9, with jurisdiction over the whole of Karnataka State including applications from actual users for import of iron and steel. | CONIMPEXTRA
BANGALORE
74232 |
| (xi) The Controller of Imports and Exports, Desai Building, Bhupindra Road, new Town Hall, Rajkot, with jurisdiction over those districts of old Bombay State which were formerly known as Saurashtra and are now included in Gujarat State, excluding Kutch, including applications from actual users for import of iron and steel. | CONIMPEXTRA
RAJKOT
24410 |
| (xii) The Controller of Imports and Exports, P.B. No. 14, Pondicherry with jurisdiction over Pondicherry, Karikal, Mahe and Yaman, including applications from actual users for import of iron and steel. | CONIMPEXTRA
PONDICHERRY
411 |
| (xiii) The Controller of Imports and Exports, 25.8.109, Main Road, Visakhapatnam, with jurisdiction over four districts of Andhra Pradesh, namely Srikakulam, Visakhapatnam, East Godawari and West Godawari, including applications from actual users for import of iron and steel. | CONIMPEXTRA
VISAKHAPATNAM
2784 |
| (xiv) The Controller of Imports and Exports, C.B.R. Building, Mall Road, Amritsar, with jurisdiction for issue of licences to registered importers, who have opted to obtain their licences from him for imports from Afghanistan. | CONIMPEXTRA
AMRITSAR
45203 |
| (xv) The Controller of Imports and Exports, Srinagar, with jurisdiction over the State of Jammu and Kashmir, including applications from actual users for import of iron and steel. (Note : During winter, a camp office will function at Jammu (Exhibition Grounds, Jammu) for seven days in each month as per announcement to be made from time to time by Controller of Imports and Exports, Srinagar). | CONIMPEXTRA
SRINAGAR
2257
(SRINAGAR)
5184
(JAMMU) |
| (xvi) The Controller of Imports and Exports, Administrative Building, Kandla Free Trade Zone, Gandhidham (Kutch), with jurisdiction over those districts of old Bombay State which were formerly known as Kutch and are now included in Gujarat State (including New Kandla Free Trade Zone), but excluding areas in Saurashtra, including applications from actual users for import of iron and steel. | CONIMPEXTRA
NEW KANDLA
7035 |

- | | |
|---|----------------------------------|
| (xvii) The Controller of Imports and Exports, Morele Building, Shillong, with jurisdiction over the State of Assam, Meghalaya, Manipur, Nagaland, Arunachal Pradesh and Mizoram, including applications from actual users for import of iron and steel. | CONIMPEXTRA
SHILLONG
3360 |
| (xviii) The Deputy Development Commissioner (Imports & Exports), Electronics Exports Processing Zone, Santa Cruz, Bombay, with jurisdiction in respect of units situated in the Electronics Export Processing Zone, Santa Cruz, Bombay (SEEPZ). | SEEPROZONE
BOMBAY
258551 |
| (xix) The Deputy Chief Controller of Imports & Exports (Iron & Steel), Central Govt. Offices Buildings, New Township-IV, Faridabad with jurisdiction over actual users sponsored by the DGTD, including public sector industrial undertakings borne on the books of the DGTD and actual users situated in the States of Rajasthan, Punjab, Haryana, Himachal Pradesh, Delhi and Chandigarh (excluding those sponsored by Jute Commissioner, Tea Board and Textile Commissioner) | REGNALSTEEL
FARIDABAD
3093 |

(2) The jurisdiction of the licensing authorities for the purpose of licensing under the import policy for registered exporters is given separately in Chapter V of this book.

CHAPTER II

GENERAL LICENSING PROCEDURE

6. The instructions contained in this book will be applicable subject to such amendment as may be made in future and the provisions of the relevant Import Trade Control Policy Book.

Categories of Importers

7. (1) For the purpose of licensing importers are divided into the following broad categories :—

- (i) Established Importers.
- (ii) Actual Users :
 - (a) Industrial.
 - (b) Services (i.e., non-industrial).
 - (c) Hospitals and Institutions.
- (iii) Registered Exporters to whom licences are issued under the import policy for registered exporters.
- (iv) Others.

(2) The applications for licences are considered in terms of the relevant policy in force.

Application Forms

8. (1) The applications for licences are required to be made on prescribed forms.

(2) There are separate forms of application for (i) established importers, (ii) actual users, not borne on the registers of the Directorate General of Technical Development, including small scale industries, (iii) actual users borne, on the registers of the Directorate General of Technical Development, (iv) Public Sector projects/undertakings, (v) Capital Goods and Heavy Electrical Plant, (vi) establishment of quotas or revision of quotas by established importers, (vii) registered exporters and (viii) Educational institutions and hospitals. Application forms have also been prescribed for newspaper establishment, for units located in Kandla Free Trade Zone and Electronics Export Processing Zone, Santa Cruz, Bombay, for revalidation of import licences, for replacement licences, for import licences for spare parts and for imports by canalising agencies. These forms are given in Appendix 3 of this book. The application forms for registered exporters are given in Appendix 4.

(3) The forms of application can be obtained from all the licensing offices and also from authorised dealers in Government publications on payment of 15p. per form. If the forms are not readily available the applicants can use their own typed, cyclostyled or printed copies of the prescribed forms. The application form prescribed for actual users, other than those borne on the books of the D.G.T.D., may also be available from the offices of the State Directors of Industries.

(4) An applicant should submit one or more copies of the application, as required, under the rules or as indicated in the prescribed application form.

(5) As a measure of simplification of procedures for a prompt disposal of import applications for raw materials, components and spares from actual users and registered exporters, check-sheets have been devised as given in Appendix 38 to this Book. The check-sheet, duly filled in and signed by the applicant, should be furnished with the import application.

Persons authorised to sign applications

9. (1) Application for an import licence should be signed by a person duly authorised by the applicant. The position/authority held by the person signing the application should be clearly stated in the application.

(2) An application which is not duly signed by a person authorised to sign it on behalf of the applicant, will be liable to be summarily rejected, without prejudice to any action that may be taken against the person signing the application.

Application fees

10. (1) An application for import licence should be accompanied by a fee, in accordance with the scale prescribed in Schedule III to the Imports (Control) Order, 1955, dated the 7th December, 1955, reproduced in Appendix 2 to this book. The scale of application fees has been revised with effect from the 1st May, 1967, and the revised scale is applicable to all import applications, whether made on annual basis or others. (Appendix 2 contains the revised scale of fees).

(2) An application for additional licence or replacement licence should also be accompanied by a fee, in accordance with the prescribed scale.

(3) In respect of subsidiary licences, split-up licences or duplicate licences, a fee of Rs. 5/- will be charged for each licence.

(4) In the case of 'second' appeal, preferred to the Chief Controller of Imports and Exports, New Delhi, against the decision of a licensing authority, a fee of Rs. 10/- is required to be paid.

(5) In the case of review application preferred to the Chief Controller of Imports and Exports, New Delhi against his decision on 'second appeal', a fee of Rs. 10/- is required to be paid.

(6) In respect of an application for transfer of REP licence made by an eligible export house, a fee of Rs. 10/- is required to be paid.

(7) *Head of Account* : Fee should be deposited, in of a licence, a fee of Rs. 50/- is required to be paid.

(8) *Head of Account* : Fee should be deposited, in cash, at any Government Treasury, office of the State

Bank of India or the Reserve Bank of India, transacting the business of Central Government, for credit to the Central Government under a separate head 'Import Licence Application Fees', subordinate to the major head '104—Other General Economic Services'. The treasury or bank receipt must show the name of the department viz., 'Import and Export Trade Control Organisation', and particulars of the application for the grant of import licence, namely description of goods for which the licence is applied for with their value, and the licensing period, in the column: 'full particulars' in the challan form T.R. 6, and must be attached to the application, before submitting the same to the proper authority. The application must also contain details of the treasury receipt, under which the requisite fees has been deposited.

(9) Application fees may also be accepted in lump sum in certain cases in accordance with the procedure as may be laid down in this regard.

(10) Applicants are advised, in their own interest, to prefer the treasury challans to the licensing authority, complete in all respects. Incomplete treasury challans will not be accepted.

(11) In case where an applicant has lost the original treasury/bank receipt or challan the licensing authority may accept a certificate from the treasury office/bank/Accountant General, Commerce, Works and Miscellaneous, New Delhi, in support of the amount having been deposited. In such case, the applicant should also file an affidavit on a stamped paper to the effect that the treasury/bank receipt/challan, in question has been lost and has not been utilised in obtaining or applying for a licence or for claiming a refund or in any other manner; and that, if found subsequently, it shall be returned to the licensing authority concerned for record and will not be utilised in any manner. The particulars of the treasury/bank receipt/challan, namely, the licensing period, the amount and description of goods etc., should also be stated in the affidavit.

Exemption from payment of fees

11. (1) Exemption has been granted from payment of fees on applications for licences in certain cases, in terms of Clause 4 of the Imports (Control) Order, 1955, dated the 7th December 1955. Also, according to the Table in Schedule III to the said Imports (Control) Order, no fees shall be leviable on an application where the goods sought to be imported are required for the personal use of the applicant, for purposes not connected with trade or manufacture, irrespective of the value of such goods. This exemption is not, however, applicable to the import of cars and other vehicles.

(2) Newspaper establishments, applying for import of news print for a value covering a quantity of not more than 40 tons have also been exempted from payment of application fees.

(3) No fees shall be payable in respect of an application made by a State or Central Government or any Department or Office of State or Central Government, or local authority, or an educational or charitable institution importing goods for its own consumption, even

if the import is made through another agency, under a letter of authority.

(4) If any applicant belongs to any of the aforesaid exempted categories he should say so clearly in his application for licence.

(5) No application fee will be charged in cases where the import of any item has been canalised through a recognised agency; and the actual users or others are allowed to obtain allotments of such goods directly from such agency without making an application to the licensing authority concerned.

Refund of application fees

12. (1) The application fee once received is not refundable except in the circumstances specified in Clause 4 of the Imports (Control) Order, 1955, dated the 7th December 1955.

(2) An application for refund of fee in the prescribed form (Appendix 36) will be entertained by the licensing authority within whose jurisdiction the fee was paid. While making the application for refund, the applicant should send the original treasury/bank receipt or challan, pertaining to the fee sought to be refunded. In case the original receipt/challan has been sent with the application for licence, the number and date of the receipt challan and the name of the treasury bank where fee was deposited, should be given.

(3) The applicant should also state clearly the reasons for claiming refund of the application fee. Moreover, where an application for refund is not made within a reasonable time, the delay should be explained by the applicant. It may be clarified that no application for refund of fee is entertainable, if made after the expiry of 3 years from the date when the right to have the refund of the fee accrued.

(4) The licensing authority may also call for any information or details from the applicant for considering his claim for refund.

(5) In a case where the applicant has lost the original treasury/bank receipt or challan, the licensing authority may accept a certificate from the treasury office/bank/Accountant General, Commerce, Works and Miscellaneous, New Delhi, in support of the amount having been deposited. In such a case, the applicant should also file an affidavit on a stamped paper to the effect that the treasury bank receipt or challan, in question has been lost and no refund of the amount thereof has been separately claimed or obtained or will be claimed and that the treasury/bank receipt or challan, if found subsequently, will be returned to the licensing authority concerned, and will not be utilised in obtaining or applying for a licence or in any other manner. The particulars of the treasury/bank receipt or challan, namely, the amount and the description of goods etc., should also be stated in the affidavit.

(6) The refund order issued to an applicant will be valid for a period of 3 months only in accordance with Rule 403-A of the Central Treasury Rules (Vol. I). Requests for revalidation may be considered on merits, for a period not exceeding 9 months from the date of expiry of the refund order.

(7) Where a claim for refund of application fees is rejected, the licensing authority may communicate the reason for such rejection to the applicant.

Income-tax Verification

13. (1) Subject to the exceptions made in these provisions, all applicants for import licences are required to obtain Income-tax Verification Certificate/Registration/Exemption Number from the appropriate licensing authority and to quote that number in their applications for licences.

(2) Where the import of any goods has been canalised through a recognised agency and the actual users or others are required to obtain allotments of imported goods through such an agency, the applications for such allotments should also be supported by valid I.V.C. Registration/Exemption Number.

(3) The procedure for allotment of Income-tax Verification Certificate Registration/Exemption numbers (I.V.C. No.) is set out in Appendix 5 to this book. It is not necessary for an applicant to obtain separate I.V.C. Registration/Exemption Number from each licensing authority; and the Number allotted by any one of the licensing authorities, will be accepted by all the licensing authorities.

(4) The I.V.C. Registration/Exemption Number allotted against a complete Income-tax Verification Certificate will be valid for the financial year in which the certificate is issued and for the subsequent three successive financial years.

(5) Applicants in whose cases the production of I.V.C. Registration/Exemption Number has been dispensed with, are categorised in the Appendix referred to in sub-para (3) above.

(6) *Interim relief* : In the absence of a valid I.V.C. Registration/Exemption Number, where required, the applicant will be given a specified time to produce it, failing which the application will be liable for rejection. Applicants should, therefore, take steps to obtain their I.V.C. Registration/Exemption Numbers in good time so as to be able to quote the same in their applications for licences. However, in cases of genuine difficulty, the licensing authority may dispose of the application for licence from any actual user or established importer or registered exporter in anticipation of the production of valid I. V. C. Registration/Exemption Number, and issue the licence if otherwise admissible, advising the applicants to produce the required number before the end of the relevant licensing period or within such time as may be specified. This facility will not, however, be available to an applicant in two successive licensing periods.

(7) In cases where the applicant has lost the original communication containing I.V.C. Registration/Exemption Number, he may apply to the licensing authority concerned for a duplicate copy on payment of fee of Rs. 5/-.

Classification of stores

14. (1) The Schedule I to the Imports (Control) Order, 1955, reproduced in Appendix 2 to this book, commonly known as the I.T.C. Schedule contained

the classification of all the articles that enter into the import trade. The old ITC Schedule was divided into six parts and broadly covered the following classes of goods :—

Part I.—Iron and steel and non-ferrous metals and manufacturers thereof.

Part II.—

- (i) Metals and manufacture thereof other than those covered by Parts, I, IV, V and VI of the I.T.C. Schedule.
- (ii) Machinery, spares and mill stores required for certain industries like jute, tea, iron and steel, electric supply undertakings, mines and quarries.
- (iii) Engineering stores, such as ball bearings, small hand tools, precision and measuring tools, abrasives and belting.
- (iv) Certain types of electrical instruments apparatus and appliances, electric control and transmission gear, electric fans and earthenware/porcelain used in electrical items and installations.
- (v) Transport materials.

Part III.—

- (i) Certain chemicals and auxiliaries used in the textile industry other than jute and hemp.
- (ii) Coal tar dyes and derivatives.
- (iii) Raw Cotton.
- (iv) Textile machinery and parts and mill stores for the textile industries other than jute and hemp.

Part IV.—Consumer goods.

Part V.—Industrial requirements, such as certain classes of machinery, chemicals, manures, paints and colours and printers materials, printing and lithographic materials, agricultural implements and instruments and apparatus and appliances, plastic materials and manufactures.

Part VI.—Machine tools.

(2) With effect from 1st April, 1976 the Schedule-1 to the Imports (Control) Order, 1955 reproduced in Appendix 2 to this Book has been revised in Alignment with the First Schedule of the Customs Tariff Act, 1975 (51 of 1975). The Revised ITC Schedule contains 21 Sections sub-divided into 99 Chapters.

Co-relation between I.T.C. and I.C.T. classification

15. An attempt has been made to co-relate, as far as possible, the I.T.C. Schedule (except Part VI) with the Indian Customs Tariff. A constant review is undertaken to ensure that whenever there are changes in the I.T.C. or I.C.T. classification, such changes are co-related.

Correct classification to be ascertained before making any application for licence

Currency areas

16. (1) An intending importer should ascertain the correct I.T.C. classification of the goods he intends to import (with reference to serial or sub-serial number and Section/Chapter of the I.T.C. Schedule), so that he may be able to apply to the proper licensing authority for a licence and to know exactly the licensing policy in respect of the articles for which he is applying. If an article is incorrectly classified by an importer, there is a possibility of the application for licence being diverted to a wrong licensing authority or of its being rejected. The importers should, therefore, in their own interest, make sure of the correct classification of the articles for which they are applying.

(2) An importer should also give the fullest description of the articles applied for so that any mistakes in the I.T.C. classification can be corrected while issuing a licence. Moreover, if an article is correctly described in the import licence, even if the I.T.C. classification shown against that item is not correct, the importer is not likely to experience difficulty in the clearance of goods on arrival.

Procedure for ascertaining correct classification

17. (1) An exhaustive alphabetical index of articles is attached to Import Trade Control Policy Book issued from time to time; and this will enable the importer to ascertain the correct I.T.C. classification of any particular article. If an importer is in doubt in regard to the correct classification of any article, he should make a reference to the appropriate regional licensing authority for clarification and advice in the first instance. To enable such authority to take a correct view in the matter, the importer should give the fullest description of the article in question, its end use and the purpose of enquiry. He should also send illustrative literature about that article and the sample thereof, wherever possible. If the tariff item under which the article is assessed to duty by the Customs is known it should also be indicated. The I.T.C. authorities will attend to such enquiries on an urgent basis.

(2) Where the regional licensing authority is not in a position to determine the correct I.T.C. classification of an article or where there is a difference between one regional authority and the other in regard to such classification, the matter is referred to the Chief Controller of Imports and Exports, New Delhi. Such references are resolved by a Committee in the Office of the Chief Controller of Imports and Exports, New Delhi, where the Directorate General of Technical Development and the Central Board of Excise and Customs are also represented. The decisions taken in the Office of the Chief Controller of Imports and Exports in regard to the I.T.C. classification are announced by means of Public Notices wherever necessary. Such decisions are also incorporated in the alphabetical index attached to the Import Trade Control Policy Book.

18. (1) Previously, the countries of the world were divided into two major groups (i) the Dollar Area and (ii) the Soft currency Area, for licensing purposes. The distinction between Dollar and Soft Currency areas was removed from the licensing period April, 1961—September, 1961.

(2) Import licences of the following two types are now issued :—

- (i) "General Area licences" which are valid for import from all countries; and
- (ii) "Specific licences", such as licences issued under Capital Goods and H.E.P. schemes, licences issued for import from rupee payment area, etc., which are valid for import from specified country or countries.

No. licence is valid for import from South Africa/South West Africa. 'General Area' includes all countries except South Africa/South West Africa. Import licences are also not valid for import from Rhodesia. The Government of India, Ministry of Commerce Order No. 9/65, dated the 17th November 1965, front Tibet region of China vide Ministry of Commerce Order No. S.O./3742, dated 17th December 1962.

Licensing period

19. Previously, the import policy was published, on bi-yearly basis. But, with effect from the financial year April 1962—March 1963, the Import Trade Control Policy Book (Red Book) contains the policy for a whole financial year.

Import policy

20. (1) The import policy is announced on the eve of each financial year, by means of a Public Notice which is issued in the form of a book called the Import Trade Control Policy Book, commonly, known as the "Red Book", which is a priced publication and is available for sale with the licensing authorities at the ports and the Manager of Publications, Delhi and other authorised dealers in Government publications. Any important changes in policy that may become necessary in the mid-term of the financial year, are separately notified by means of Public Notices.

(2) With effect from the period April 1968—March 1969, the import policy has been published in two separate Volumes. Volume I contains the import policy for established importers, actual users and others excluding registered exporters and Volume II pertains to the import policy for Registered Exporters.

Licensing authorities

21. (1) Names of the licensing authorities and their jurisdiction are given in para 5 of this book.

(2) Unless otherwise provided, an application for import licence in respect of an item should be made to the licensing authority as shown in the relevant Import Trade Control Policy. Where the licensing authority is shown as port or regional licensing autho-

any the applicant should apply to the particular licensing authority under whose jurisdiction his business is established. But, in the case of an actual user, the determining factor for the purpose is the location of the factory and not of the management, and the actual user should apply to the licensing authority within whose jurisdiction his factory is located. However, in cases where any specific licensing authority has been shown against any item, as for example, Bombay, Calcutta, etc. all the applications for that item should be made to that authority, irrespective of the jurisdiction of any other licensing authority, in relation to the location of the applicant's business or factory, unless otherwise provided.

(3) The actual users should submit their applications for import licences to the licensing authorities, as indicated for each category of actual users in Chapter IV of this book, through the sponsoring authority concerned, unless otherwise provided. Where an actual user has got factories and organisations at different places falling under the jurisdiction of different licensing authorities or one licensing authority he should submit separate applications for each unit in respect of each end product (which includes related end products) to the licensing authority concerned through the sponsoring authority.

However, in case of actual users borne on the register of DGTD and having factories or organisations at different places, the head office may submit consolidated applications covering the requirements in respect of raw materials, components and spare parts of all the factories and organizations in respect of the same end-product (which includes related end-products) to the CCI&E through the DGTD. The requirements of each factory or unit may be separately enumerated in a list to be appended to such application. On such consolidated application, the licensing authority will issue separate licences in respect of each factory unit in terms of the policy in force, if admissible.

(4) Where an established importer has more than one office in India, the location of the branch or office in whose name the quota certificate stands, will determine the licensing authority to whom the application for licence should be made. Thus in the case of an established importer having offices in Delhi and Calcutta if the quota certificate is in the name of Delhi office, the application should be addressed to the Joint Chief Controller of Imports, and Exports, Central Licensing Area, New Delhi. The same principle will apply where different branches of an established importer have been functioning as separate entities and having their own quota certificates. A branch situated in the jurisdiction of Joint Chief Controller of Imports and Exports, Bombay, will apply to him for licences against all its imports through different ports; while the branch situated in the jurisdiction of, say, Joint Chief Controller of Imports and Exports, Calcutta, will, similarly, apply to him on the basis of its total imports. In this connection attention is also invited to the provisions of para, 46 of Chapter III regarding the selection of a common basic year by the head office and all its branches.

Licensing authority in respect of iron and steel items

22. (1) The Joint Chief Controller of Imports & Exports, Bombay (Iron & Steel Division), the Joint Chief Controller of Imports & Exports, Madras (Iron & Steel Division), the Joint Chief Controller of Imports and Exports, Calcutta (Iron & Steel Division) and the Deputy Chief Controller of Imports & Exports (Iron and Steel), Faridabad are the licensing authorities for Controlled items of Iron and Steel including ferrous-alloys falling in Part I of the I.T.C. Schedule. (Chapter 73 of revised ITC Schedule)

(2) From 1st April 1972, the Deputy Chief Controller of Imports & Exports, Kanpur, and the Controller of Imports & Exports Srinagar/Jammu have been the licensing authorities in respect of Iron and Steel items in the case of actual users situated in their jurisdiction who were hitherto under the jurisdiction of the Assistant Iron & Steel Controller, Faridabad.

(3) From 1st April 1973 the Deputy Chief Controller of Imports & Exports, Ernakulam (Cochin) and Controller of Imports & Exports, Shillong, will be the licensing authorities in respect of iron and steel items for actual users situated in their jurisdiction, who were hitherto under the jurisdiction of Joint Chief Controller of Imports & Exports (Iron & Steel Division), Madras and Joint Chief Controller of Imports & Exports (Iron & Steel Division), Calcutta respectively.

(4) From 1st April 1975, the Deputy Chief Controllers of Imports & Exports, Hyderabad, Bangalore, Ahmedabad and Panjim and Controllers of Imports & Exports, Pondicherry, Rajkot and Visakhapatnam will be licensing authorities in respect of iron and steel items for actual users situated in their jurisdiction.

(5) *I.D.A. Industries.*—Actual users engaged in the I.D.A. industries (listed in Appendix 6) should, in respect of their requirements for iron and steel items for these industries, apply for import licences to the respective I.T.C. authorities, and not to the licensing authorities, referred to in sub-para (1) above. In this connection attention is invited to the procedure for submission of such applications laid down in Chapter IV of this book.

(6) *Kandla Free Trade Zone.*—The licensing authority in respect of iron and steel items in the case of units situated in Kandla Free Trade Zone, is the Controller of Imports and Exports, Kandla. From 1st April, 1976 the Controller of Imports and Exports, New Kandla will also be the licensing authority in respect of Iron and Steel items for other actual users situated in his jurisdiction.

(7) *Electronics Export Processing Zone.*—The licensing authority in respect of iron and steel items in the case of units situated in the Electronics Export Processing Zone, Santa Cruz, Bombay is the Deputy Development commissioner, (Imports & Exports) Electronics Export Processing Zone, Santa Cruz, Bombay.

(8) *Registered Exporters policy.*—Applications for licences in respect of iron and steel items under the import policy for Registered Exporters should be made to the licensing authorities concerned and not to the licensing authorities, referred to above. In this connection attention is invited to the procedure for submission of such applications laid down in Chapter V of this book.

One application for each commodity in one licensing period

23. (1) An applicant should make only one application in a licensing period, in respect of goods falling under the same serial or sub-serial number of the I.T.C. Schedule, except in the following cases or where otherwise provided :—

- (a) Machinery items, required by actual users.
- (b) Raw materials/components/spares required by actual users; and
- (c) Applications for licences made under the import policy for Registered Exporters.

(2) In cases where more than one application is submitted for items falling under the same serial or sub-serial number of the I.T.C. Schedule, applicants should furnish detailed reasons for doing so. Cross reference of the previous application should distinctly and invariably be made in the relevant columns of the application. Any omission or breach of this rule will render the applicant liable to be debarred from receiving licences, with out prejudice to any other action that may be taken against him under the Imports and Exports (Control) Act, 1947 or the Order issued thereunder.

Registration of Licences at Ports

24. (1) A licensee is required to get his licence registered with the Customs authorities at a specified port. The licence will be valid for import only at the port of registration specified on the licence, except where the Customs authorities at the port of registration, on a sufficient cause being shown to their satisfaction that goods had to be imported at a different port, permit the issue of a release advice for import at a port other than the specified port.

(2) The applicants should invariably indicate in their applications for import licences, the particular port where they intend to register the licence, if issued, with the Customs authorities. The licensing authority concerned will indicate in the licence the port of registration by an endorsement made thereon.

(3) The licensing authority may entertain requests for amendment in regard to port of registration in cases where the licence has not been registered, or where the licence has been registered but the goods have not arrived. In latter type of cases; i.e. where the licence has been registered but the goods have not arrived, the amendment regarding change in the port of registration will be duly intimated to the Customs authorities at the port of registration originally indicated on the licence.

(4) Requests for amendment in regard to the port of registration in respect of licences issued by any licensing authority will be entertained by all the regional licensing authorities.

(5) Where the Customs authorities at the port of registration issue a "release advice", the Customs authorities at the port of clearance will allow clearance on the basis of such "release advice" if the import is otherwise in order. In such cases, the import licence will be debited by the Customs authorities at the port of registration at the time of issuing the "release advice" and the Customs authorities at the port of clearance will debit the "release advice".

(6) The provision of this paragraph will apply to import licences issued on or after 1 April, 1970. For earlier licences, the provisions of the relevant Import Trade Control Hand Book of Rules and Procedure will apply.

Last date for submission of applications

25. (1) The last dates for submission of applications for licences are indicated in the relevant Import Trade Control Policy Book. Applicants are advised in their own interest to submit applications well in advance of the last date so as to reach the licensing authority or the sponsoring authority concerned, as the case may be, before the last date. An application received after the prescribed last date is liable to be summarily rejected.

(2) However, in case, the prescribed last date falls on a public holiday or a bank holiday, applications complete in all respects received on the following working day will be deemed to have been received by the last date.

(3) In deserving cases, the licensing authorities may condone postal delays caused in cases where the applicants despatch their applications well in time.

(4) Where an import application is required to be made through the sponsoring authority, such authority will indicate in its recommendation the date on which the application was received by it.

Important hints to importers

26. (i) The application for licence should be made in the prescribed form.

(ii) The application form should be filled neatly and accurately. No column should be left blank. The words "yes" or "no" or "not applicable" can be used against the columns in the application form wherever necessary. If the applicant is not able to give answer to any particular column, he should give a positive reason for the same.

(iii) The information in the prescribed form should be given faithfully and correctly.

(iv) The description and I.T.C. classification of the payment of application fee on the value applied for, application form.

(v) The original treasury/bank receipt showing payment of application fee on the value applied for, should be attached to the application.

(vi) The I.V.C. No. should be quoted in the application where necessary.

(vii) All the required documents should be attached to the application and all the enclosures to the application should be detailed in the covering letter of the application, giving particulars of each document.

(viii) The application should be signed by an authorised person who should give his address and the position held by him.

(ix) Separate application should be submitted for articles falling under a serial or a sub-serial number of the I.T.C. Schedule, except where otherwise provided.

(x) The postal address of the applicant should be given completely and neatly.

(xi) The correct and complete reference number, if any, of the licensing authority should be quoted.

(xii) The application should be sent by post to the appropriate licensing authority or sponsoring authority concerned as provided in the procedure, or delivered at the counter in the office of the licensing authority or the sponsoring authority, as the case may be, before the last prescribed date.

(xiii) The actual users borne on the registers of Director General of Technical Development should also quote in their applications the code number allotted to them by the DGTD. If no code number has been allotted, the words "not allotted", should be written against the appropriate column at the top of the prescribed application form.

(xiv) The actual user should submit a consolidated application covering the requirements of unit in respect of raw materials and components for each end-product (including related end-products), as provided in Chapter IV of this book.

(xv) All actual users should submit their applications through the sponsoring authority concerned wherever necessary.

(xvi) While furnishing the lists of goods sought to be imported, the applicants should ensure that the lists are prepared on a good and durable paper in order to avoid probable inconvenience at the time of clearance of goods at the Customs. In the case of units borne on the books of the DGTD, the applicants should ensure that the extra copies of the list of goods prepared by them for submission to the licensing authority are strictly in accordance with the list cleared by the DGTD.

(xvii) Enquiries regarding interpretation of policy or procedure may be addressed to the Chief Controller, Imports and Exports, New Delhi.

(xviii) On receiving an import licence, the licensee should carefully check whether the licence received by him is complete in all respects. In particular, the licensee should check whether :—

- (a) The licence is accompanied by the list of items permitted for import, if such list has been referred to in the body of the licence.
- (b) Each page of the list has been duly signed by the licensing authority.
- (c) Each page of the list bears the security seal affixed by the licensing authority.
- (d) The changes, if any, made in the list have been duly attested by the licensing authority.
- (e) Both the copies of the licence bear the security seal affixed by the licensing authority.
- (f) The conditions imposed on the licence have been duly signed by the licensing authority.
- (g) The condition, if any, deleted from the licence has been attested by the licensing authority.
- (h) In the case of licences issued against foreign credits, the conditions applicable to the credit have been attached to the licence, if there is a reference to such attachment in the body of the licence; and such conditions have been duly signed by the licensing authority.
- (i) Every signature of the licensing authority appearing on the licence, or on the list attached to the licence; or on the conditions attached to the licence, has been duly authenticated by a security seal affixed above the signature.

If the licensee finds that the licence is deficient in any respect he should immediately bring the matter to the notice of the licensing authority concerned and return the licence to the licensing authority for doing the needful.

(xix) The check sheet as provided in Appendix 38 to the book should be furnished with the application, duly filled in and signed by the applicant.

CHAPTER III

ESTABLISHED IMPORTERS

Definition

27. (1) Established importers are those who have been actually engaged in the import trade of the articles comprised in any serial or sub-serial number of the I.T.C. Schedule during atleast one financial year (1st April to 31st March) falling within the basic period specified for the said serial or sub-serial number. The importers may choose the most favourable year from the basic period for the purpose of obtaining quota certificates.

(2) An established importer may be (i) an individual, (ii) a partnership firm, (iii) a karta of a Hindu undivided family in respect of the family business, (iv) a limited company or (v) any association or body of individuals.

Basic Period

28. (1) With effect from April 1976—March 1977, the basic period will be from 1-4-1951 to 31st March 1974, for all items, unless otherwise provided.

(2) No application for fixation/re-establishment of quotas will be accepted in respect of past imports in any financial year prior to 1st April, 1951. However, quotas already fixed in respect of past imports during the period from 1937-38 to 1944-45 and from 1945-46 to 1950-51, will continue to be accepted for the grant of quota licences until further notice.

(3) No applications for refixation or re-establishment of quotas will be entertained in the following cases :—

- (i) For items licensable to established importers at a quota of more than 100 per cent.
- (ii) For items falling under a particular serial number or sub-serial number of the I.T.C. Schedule, but imported against a licence for a different serial number or sub-serial number, under the concession of interchangeability or under other provisions applicable to established importers, or others. In such cases, applications for fixation or establishment of quotas will also not be entertained.
- (iii) In respect of imports made during a financial year within the prescribed basic period by head office or a branch of an established importer against a consolidated import licence obtained by the head office or a branch on the basis of past imports standing in the name of the head office and the branches.
- (iv) In respect of imports made during a financial year within the prescribed basic period on the basis of more than one quota licence

issued to an established importer in respect of the same quota certificate for different licensing periods. (This restriction will not apply to cases in which past imports are against-quota licences for two successive half yearly licensing periods forming part of the same financial year.)

(4) Except in cases covered by sub-para (3) of this paragraph the importers can apply for re-fixation or re-establishment of their existing quota certificates on the basis of past imports during any of the years from 1961-62 to 1973-74, or during any other year, within the prescribed basic period, provided such other year has been included in the basic period for the first time during the licensing period 1968—March 1969, or the importer was unable to apply for re-fixation of quota earlier on account of a change in the ownership or constitution of business for which the application for TQR was pending, or he could not apply earlier for other valid reasons beyond his control to the satisfaction of the licensing authority.

Quota Certificates on Security Forms

29. (1) A quota certificate as referred to in para. 27 above, may be issued by a licensing authority to an established importer in token of acceptance of his past imports of a particular commodity falling under a serial or a sub-serial number of the I.T.C. Schedule, in a financial year selected by him within the specified basic period. All quota certificates are issued on security form, a specimen of which is given in Appendix 7. Import licences are granted to established importers on the basis of valid quota certificates.

(2) The application for establishment/refixation of quota should be made to the regional licensing authority concerned. Even in respect of items licensable to established importers by the Headquarters Office of the Chief Controller of Imports and Exports, the applications for establishment/refixation of quota certificates have to be made to the regional licensing authority in whose jurisdiction the business of the applicant is established.

(3) Even after the grant of a quota certificate, the licensing authority, if it has any doubt may call for the original documents to recheck the applicant's past imports and, on verification, the quota certificate may be amended, reduced in value or cancelled. A quota certificate will also be liable to cancellation or amendment or reduction in value if it has been granted by inadvertance or by mistake or contrary to rules or has been obtained by fraud or misrepresentation.

Documents to be furnished for fixation or re-fixation of quotas

30. (1) A quota certificate is issued on the basis of the following documents :

- (i) (a) The triplicate copy of the Customs Bill of Entry for home consumption; (b) in the case of goods bonded on arrival, a copy of original 'into bond' Bill of Entry and 'Ex-bond' Bill of Entry certified by the Customs authorities; (c) in the case of duty-free goods, the Exchange Control copy of the bill of Entry.
- (i) Invoice pertaining to the goods imported;
- (iii) Bank memo, bank draft or other evidence of payment, such as a certificate from the concerned bank or the original Exchange Control copy of the licence showing endorsement of the amount remitted duly authenticated by the Bank, and particulars of licences etc. along with a copy thereof against which the imports were made.

N.B.—(a) In the case of duty-free goods, if the importer is unable to produce the Exchange Control copy of the Bill of Entry on the ground that it had been retained by the Reserve Bank of India, the triplicate copy of the Bill of Entry, or a certified true copy of the Bill of Entry will be accepted.

- (b) In the case of goods bonded on arrival, if the importer is unable to produce 'into bond' Bill of Entry for valid reasons to the satisfaction of the licensing authority and where the importer is able to produce evidence that no transfer of ownership of goods took place while the goods were in bond the licensing authority may accept the 'Ex-bond' Bill of Entry in lieu of 'into bond' Bill of Entry, provided the importer files an affidavit :—

- (1) that for reasons stated in the affidavit, he is not able to furnish the 'into bond' Bill of Entry;
- (2) that no transfer ownership of the goods took place when the goods were in bond;
- (3) that no quota has been or will be claimed against the 'into bond' Bill of Entry for the same goods from licensing authority.

In such cases, the date of original bond when the goods were first entered into bond will be reckoned as the date of importation for the purpose of calculation of quota and not the date given in the 'Ex-bond' Bill of Entry.

- (c) If, for valid reasons, an importer is unable to produce the Customs copy of the Bill of Entry where such copy is required to be produced, but produces the Exchange

Control Copy thereof or a true copy of the Bill of Entry certified by the Customs authorities, the case may be considered on merits by the licensing authority after the importer concerned files an affidavit in the form given in Appendix 8 to this book.

- (iv) In the case of imports made by post, the Postal Declaration Form or Customs Duty Receipt with relevant voice, Bank draft and the particulars of licence, etc., against which the import was made, should be produced.

N.B.—(a) If an importer is unable to produce Postal Declaration, Form or Customs Duty Receipt, then the documents namely, Bill of Exchange, Banker's Memorandum of payment and the relevant invoice duly attested by a Custom Appraiser, will be accepted in lieu.

- (b) In cases where the importers are unable to produce the required evidence for proving past imports made by post, certificates of postal imports giving the description of goods contained in the parcel and the duty paid by the importer, issued by the Assistant Collector of Customs, Postal Appraisal, will also be accepted in lieu of the prescribed evidence; provided the importer files an affidavit to the effect that he has not claimed a quota previously on the basis of the postal way bills, memoranda of payment and relative invoices etc. in respect of the same goods nor will he do so in future. The licensing authority will consider the application if it is satisfied on the basis of the evidence produced that the imports were actually made with in the basic period and that payment was actually made for the goods.

- (v) In the case of imports from Pakistan, Land Customs Appendices supported by corresponding invoices, and Solas (Bank memos) and any other satisfactory evidence of payment for the imported goods, will be accepted.

(2) Apart from the original documents of past imports as prescribed, the application for establishment re-fixation of quota should also be accompanied by certified or photostat copies of the documents of past imports. Where an applicant is not readily in a position to furnish the certified copies or photostat copies of all the documents with his application for quota certificate, the licensing authority may issue the quota certificate provisionally valid for one period only subject to the production of certified or photostat copies of the original documents of past imports to the licensing authority concerned. Such provisional quota certificate will bear the following endorsement—

"Provisional for one period only and subject to regularisation on furnishing the certified copies or photostat copies of all the documents of past imports to the licensing authority"

On production of the copies of documents of past imports, the above endorsement will be deleted.

Basic Imports

31. (1) Subject to the provisions of sub-para (2) below, the licensing authority will, on the basis of the above documents, determine the 'basic Imports' of the applicant, i.e., the c.i.f. value of his imports of goods falling under the same serial number or sub-serial number from the General Area/Pakistan in a common completed financial year selected by the importer within the prescribed basic period. The licensing authority will then issue a quota certificate on security form for the value as determined.

Provided that in the case of a serial No. or Sub-Serial No. for which two separate quota licences could be issued during October 1960—March 1961 licensing period on former General Area and former Soft Currency Area in respect of past imports falling in different basic years from the former Dollar and Soft Currency Areas respectively, the parties holding such two quota certificates will be allowed to retain such quota certificates until further notice.

(2) Quota Certificates are issued on the basis of past imports from all countries included in the General Areas other than Pakistan, Bangla Desh, Afghanistan, Nepal, Tibet, Bhutan, Sikkim and former Portuguese, or French Possessions in India. But the importer will be entitled to an additional quota certificate on Pakistan and Bangla Desh on the basis of his imports from Pakistan and Bangla Desh only; provided the basic year for these imports is the same as the one on the basis of which the importer has obtained this quota certificate on General Area.

Issue of separate quota certificate in respect of past imports from Pakistan and Bangla Desh

32. The quota certificate in respect of past imports from Pakistan and Bangla Desh as stated in para, 31 above, will be issued to an importer on the basis of original documents, indicated in para, 30 above. It is essential that the importers should obtain their quota certificates on the basis of their imports from Pakistan and Bangla Desh simultaneously with their quota certificates on General Area. Similarly they should, while applying for refixation of quotas on the General Area, invariably submit their quota certificates on Pakistan and Bangla Desh along with their old quota certificates on soft Currency Area/Dollar Area.

Imports which will not be counted as basic imports

33. The following categories of imports will not be taken into account in calculating the importers' quota :—

- (a) Imports made in contravention of the Import Trade Control rules and regulations.
- (b) Imports made without a valid licence and cleared under a warning.
- (c) Imports made in excess of the value of the licence and allowed to be cleared by the Customs authorities whether on payment of

fine/penalty or otherwise. Only such excess will not qualify for quota fixation.

- (d) Imports made by the applicant under a letter of authority authorising him to import goods against a licence granted to another party.
- (e) Imports made under licences granted against the orders of the late D.G. (I. & S.) (now D.G.S. & D.) or of the State Railway or of the Defence Ministry.
- (f) Imports made under licences granted to actual users in respect of raw materials or accessories or other articles.
- (g) Imports made under *ad hoc* licences (other than those *ad hoc* licences which were issued for imports of goods for stock and sale purposes only) or licences granted subject to express condition that imports, thereunder will not be taken into account in calculating quotas whether the licences are marked N.Q.Q. or not.
- (h) Imports made against C.G. & H.E.P. licences by actual users or other importers against order from actual users. However, imports made against C.G.&H.E.P. licences for stock and sale purpose will be taken into account for purposes of calculation of quota only in respect of S. No. 36/II, S. No. 4/III and S. No. 65/V of the I.T.C. Schedule.
- (i) Imports of goods of no commercial value made under O.G.L. IV.
- (j) Imports made against licences granted under the export promotion schemes, avocation schemes or under the import policy for Registered Exporters.
- (k) Imports made against "replacement licences".
- (l) Imports of causal nature e.g., imports for personal use or imports as samples.
- (m) Imports of equipments against licences issued under the Irrigation Projects Licensing Scheme.
- (n) Imports made under licences issued through inadvertence or mistake or contrary to rules or provisions of Imports (Control) Order, 1955, as amended or obtained by fraud or misrepresentation, subsequently detected.
- (o) Imports made by an actual user under O.G.L. or otherwise of goods which were used by the actual user in his own factory/establishment.
- (p) Licences issued against specific orders from actual users.
- (q) Goods which are not cleared for home consumption.
- (r) Imports made against licences issued under the National Defence Remittance Scheme (N.D.R.S.).

- (s) Imports of an item falling under a particular serial number or sub-serial number of the I.T.C. Schedule, made against a licence pertaining to a different S. No. or Sub Serial number, under the concession of interchangeability or under other provisions applicable to established importers or others in the utilisation of their licences. (Quotas already fixed will not, however, be disturbed).
- (t) Any other imports which do not qualify for quota under the import policy in force.

Imports allowed under warning by Customs—Acceptance for fixation of quota

34. In some cases, where goods are imported under a licence, the Customs authorities may find some discrepancy in the goods and the imports may not be exactly covered by the licence against which the goods are sought to be cleared. Again, there may be cases where the goods are allowed to be cleared on the basis of wrong advice regarding classification given by the I.T.C. authorities or the Custom Houses. In cases of this nature, the Custom authorities may warn the importer and may permit the clearance of goods. Such imports, though allowed to be cleared after issue of a warning by the Customs, will qualify for quota fixation. However, the quota will be fixed only under the correct I.T.C. classification of the goods, if otherwise admissible.

Determination of the date of import in connection with past imports

35. In determining whether a particular import falls in any particular financial year for the purpose of fixation/refixation of quota the following dates will be reckoned to be the dates of importation :—

- (a) In the case of goods cleared for home consumption, the date given in the oval stamp affixed on the relevant Bill of Entry;
- (b) In the case of duty free goods cleared for home consumption the date of the Import Duty Free Number (I.D.F. number).
- (c) In the case of goods bonded on arrival and subsequently cleared from bond for home consumption, the date on which the goods were bonded by Customs authorities.
- (d) In the case of post parcels, the date assigned to the way bill by the Post Office.
- (e) In the case of imports by land route, the date on which Customs duty is recovered by the Customs authorities; in the case of duty-free goods imported by land route, the date on which the Land Customs appendices are passed by the Customs authority for clearance of the goods for home consumption.

Procedure for quota fixation in case of change in the classification of items

36. In cases where classification of an item or article changes from one serial number of the I.T.C. Schedule to another, the licensing authority will take into

account the past imports of such item or article for establishment/re-fixation or recalculation of quota under the new serial number, if otherwise admissible. In doing so, it will be ensured that :—

- (i) The importer's quota under the old serial number is correspondingly reduced and his quota certificate duly amended; and
- (ii) Only such past imports are taken into account for the purpose of re-fixation/re-calculation of quota as are in respect of the same basic year as the importer's original quota certificate for the new serial number in question.

Procedure for submission of applications for establishment of quotas

37. (1) Applications for establishment or re-fixation of quotas should be made in the prescribed form (Form 'F'), and should be accompanied by :—

- (i) the previous quota certificate, whenever it is sought to be revised;
- (ii) A certified copy of the import licence, if any, received for the previous licensing period;
- (iii) a statement of basic year's imports in the prescribed form, supported by relevant documents mentioned in paragraph 30 above, together with certified or photostat copy of each of the documents duly signed by the applicant; and
- (iv) a statement giving reason to prove the necessity for the establishment or re-fixation of the quota.

(2) Applications for establishment/refixation of quotas will be entertained, if otherwise admissible, in respect of items for which the basic period has been extended or in cases in which the licensing authority is satisfied that the applicant has been unable for some good reason e.g., litigation or financial difficulties etc., to prove his basic imports and to establish his quota to participate in the import trade in the previous licensing period. The need for establishing fresh quotas will also arise in cases in which the item or article in question has been allotted a separate serial number, or the system of quota licensing in respect of the item or the article has been introduced for the first time.

(3) Notwithstanding anything contained in para (2) above, no belated application for establishment/refixation of quota will be entertained in respect of any serial numbers or sub-serial number where the delay in making the application exceeds five years. However, the delay may be condoned in cases where the licensing authority is satisfied that it was due to circumstances beyond the control of the applicant.

(4) Separate applications for establishment or re-fixation of quotas should be made in respect of items falling in different serial numbers or sub-serial numbers of the I.T.C. schedule,

(5) The application for establishment/re-fixation of quotas should be made, complete in all respects, within the date prescribed in the relevant Import

Trade Control Policy Book. However, in cases where there is a change in the name, constitution or ownership of a business requiring recognition by the I.T.C. authority, it is not necessary for the new or the reconstituted concern to submit their applications for the establishment/re-fixation of quotas within the prescribed date in respect of past imports standing in the name of the original concern. In such cases, the application for establishment/re-fixation of quotas should be made within a period of 30 days from the date of the applicant's recognition as new established importer.

(6) *Late application for quota:* Applications for establishment/refixation of quotas received incomplete, or after the prescribed last date, will be liable to be summarily rejected. The licensing authority may, however, entertain an application which, is received, complete in all respects, within 30 days from the prescribed last date or where the deficiencies in an incomplete application are made good either within 30 days from the prescribed last date or within 30 days from the date on which the applicant is informed of the deficiencies by the licensing authority. But, in such cases, although the quota certificate will be granted, if otherwise admissible, the value of the licence issued on the basis of such quota certificate for the licensing period during which late or incomplete application for quota certificate is made, will be reduced by 25 per cent. This cut will also be applicable to minimum value licences.

Note.—The absence of documents of past imports will be considered as a deficiency for the purpose of the provisions of this subparagraph.

(7) The licensing authority may also entertain a late or deficient application for establishment/refixation of quota, which is not otherwise acceptable in terms of the provisions made in sub-paragraph (6) above. But this will be subject to the condition that a quota certificate, if otherwise admissible, and issued on the basis of such application, will not be valid for the grant of a licence for the licensing period during which such late or deficient application has been made.

Fixation of quota for items under O.G.L. or S.G.L. or which are banned for import or whose imports are canalised

38. No application for fixation or re-fixation of quota for items which are under O.G.L. or S.G.L. or which are banned or whose imports are canalised through some particular agency and are not open to established importers, will be entertained. However, to avoid hardship that may be caused by the strict application of this rule, the licensing authority may relax the rule in the following types of cases :—

- (i) Where an application for fixation of quota for a particular item remains pending for one period or more and, at the time of finalisation of the case, it so happens that the import of the item is banned, the quota certificate may not be refused merely on the ground that the item had been subsequently banned

- (ii) Where an importer holds a quota certificate for a serial number which is subsequently split into various sub-serial numbers; some of which are banned, the original quota certificate may be split up by issuing fresh quota certificates in respect of past imports of each of the sub-serials including the banned ones;
- (iii) Where the import of certain machinery etc., is banned but there is a provision in the relevant policy for the grant of licences for spare parts against the past imports of such banned machinery the quota certificate may be issued for such machinery in spite of the ban to enable the applicant to obtain licence for spare parts in terms of the policy.
- (iv) Where an item is on O.G.L. or S.G.L. (Special General Licence) for import from specified country or countries only, the quota certificate may be issued in respect of such item, in spite of the item being on the O.G.L. or S.G.L.

Cases in which quota certificates/licences will not be issued

39. (1) No quota certificate will be issued to an established importer if the value of the past imports on which quota is claimed is up to the minimum value indicated below :

Quota percentage on articles as given in the relevant Import Trade Control policy.	The value of past imports on which no quota certificate will be granted.
(i) 25% or less	Rs. 100/-
(ii) Over 25%	Rs. 200/-

(2) An established importer will not be eligible to a licence where his entitlement under the relevant import policy works out to Rs. 100 or below, or the value of his quota certificate or past imports on which licence is claimed is up to Rs. 200.

40. (1) If the application for a quota certificate is made within the date prescribed for submission of such applications, in terms of the policy in force and the application is complete in all respects and is accompanied by all the required documents efforts will be made by the licensing authority to grant the quota certificate as early as possible before the expiry of the licensing period in which the application is made. However, there may be cases where the grant of the quota certificate is delayed for one reason or the other. The grant of licences for back periods against such quota certificate will be considered in terms of the provisions contained in para. 47 of this book.

(2) If an application for a quota certificate is not disposed of within a period of 21 days from the date of its receipt in the Quota Fixation Section, the licensing authority will issue an interim reply to the applicant. If an applicant does not receive interim reply even after this time limit, he can bring the matter

to the notice of the Public Relation Officer in the Import Trade Control Office concerned or book an interview with the officer concerned through the Enquiry Office in order to know the reasons for the delay in the disposal of his application.

41. In para 20 of Section 1 of the Import Trade Control Policy Book for January-June, 1955 period it was notified that with effect from July-December, 1955 licensing period, the old quota certificates on non-security form, will not be accepted for the grant of import licences. However, such of the importers who had not received quota certificates on security form, were advised to do so immediately; and this concession had been extended upto July-December, 1956 period. With effect from January-June 1957 period, the quota certificates, if any, on non-security paper are not accepted for calculation of quotas. It may be noted that, in no case will an import licence be granted on the basis of the old quota certificate (*i.e.*, quota certificate not issued on security form).

Issue of duplicate quota certificates

42. (1) Where a quota certificate is lost or misplaced, the established importer can file an affidavit on stamped paper in the form prescribed in Appendix 8 to this book and apply for the issue of a duplicate quota certificate. The affidavit should be sworn before a 1st Class Magistrate or a Notary Public.

(2) Where a quota certificate on security form gets torn or worn out by frequent handling, the established importer can apply for the issue of a duplicate quota certificate in lieu of such quota certificate.

(3) The applications for issue of duplicate quota certificates in such cases should be made to the licensing authority who had issued the original quota certificate in question.

(4) It will be open to the licensing authority to ask for the original documents such as Bill of Entry etc., to verify the applicant's past imports before issuing duplicate quota certificate.

Basis of Quota licences

43. (1) Established importer can get quota/additional/supplementary licences on the basis of a valid quota certificate issued on security form in force.

(2) The application for licence should be submitted by an applicant in the prescribed form, complete in all respects, so as to be received by the licensing authority concerned within the date prescribed for this purpose in the relevant Import Trade Control Policy, and duly accompanied by:—

- (a) A valid quota certificate issued on security form;
- (b) Treasury/bank receipt showing payment of the application fee on the value applied for;
- (c) Any other document considered necessary or prescribed in terms of the provisions of this book or the relevant Import Trade Control Policy Book or Public Notices/Trade Notices issued in this regard.

(3) The documents of past imports on the basis of which the quota certificate has been issued, need not be produced by the applicant along with his application for quota/additional/supplementary licence. But it will be open to the licensing authority to ask for the original documents of imports such as Bill of Entry etc., to verify the applicant's past imports for issuing the licence.

(4) Where there is a change in the name, ownership or constitution of an established importer's business requiring recognition by the I.T.C. authority; it is not necessary for the new or the reconstituted concern to submit their applications for the grant of quota licences within the prescribed date in respect of quota standing in the name of the original concern. In such cases, the established importer should make applications for quota licences within a period of 30 days from the date of endorsement of quota certificate or issue of fresh quota certificate, based on the applicant's recognition as established importer. However, where such applications for quota licences happen to be made after the expiry of the licensing period to which the applications relate, the provisions of paragraph 47 of this book will be applicable in the disposal of such applications also.

(5) If instead of obtaining the import licence on the basis of the quota certificate held by the applicant, he desires, for some good reason, to have his quota established afresh or revised, he should submit his application for establishment/re-fixation of quota to the licensing authority concerned as provided in paragraph 37 above. Previously, the application for the establishment of quota used to form part of the application for grant of licence but in the interest of simplicity and despatch, the application for establishment or revision of quota is now required to be made separately.

(6) Where an applicant has submitted an application for establishment/refixation of quota complete in all respects within the last date prescribed for the submission of such application he should submit his application for licence within 30 days from the date of issue of the quota certificate or within the last date prescribed for submission of applications for licences in terms of the relevant import trade control policy, whichever date is later where an applicant has submitted an application for refixation of quota but such application is rejected, and the applicant wants to apply for import licence on the basis of the quota certificate already held by him, he should submit his application for the licence within 30 days from the date of such rejection of the application for refixation of quota, even if the applicant intends to make an appeal against the rejection.

(7) Applications received after the prescribed date are liable to be summarily rejected. Applicants are therefore advised in their own interest to submit applications complete in all respects much in advance of the prescribed last date. The licensing authority may, however, entertain an application from an established importer for quota/additional/supplementary licence which is received complete in all respects or is completed by supplying the deficiencies within 30 days

from the prescribed last date for receipt of such application or where the deficiencies are completed within a period of 30 days from the date on which the applicant is informed of the deficiencies by the licensing authority. But in such case, the value of the quota/additional/supplementary licence, if otherwise due, will be reduced by 25 per cent. If, in such cases the application is received complete in all respects or is completed after a period of 30 days but within 60 days, the value of the licence, otherwise admissible, will be reduced by 50 per cent. This cut will also be applicable to minimum value quota/additional/supplementary licences.

Note.—The absence of a treasury challen for the requisite amount or a quota certificate or any other important document required to be furnished by the applicant along with his application for licence will be considered as a deficiency for the purpose of the provisions of this paragraph.

(8) It may be clarified that where an import licence is subject to cut in value in terms of the provisions of sub-para (7) of this paragraph as well as sub-para 37(6) above, the total cut to be imposed on the applicant's entitlement in such a case will be 50 per cent or 75 per cent, as the case may be.

Procedure for calculating the value of quota licences

44.(1) A quota licence is given to an established importer as a percentage of the value of his past imports as appearing in the quota certificate in accordance with the import policy in force.

(2) The distinction between Dollar and Soft Currency Areas was removed for the purpose of issuing import licences with effect from the period April 1961—September 1961. Consequently, established importers are required to make only one application for a quota licence on 'General Area', on the basis of the past imports in any financial year within the prescribed basic period, in respect of articles falling under the same serial number or sub-serial number of the I.T.C. Schedule.

(3) In the case of serial number or sub-serial number for which separate quota licences could be issued immediately before the removal of distinction between the two currency areas, i.e., during October 1960—March 1961 period, on the former General Area and the former Soft Currency Areas respectively, the parties holding two quota certificates in respect of past imports from Dollar and Soft Currency Area falling in different basic years, will be eligible to receive quota licences on the combined value of two quota certificates.

(4) Established importers having two quota certificates in respect of an item, issued from the former Dollar Area and former Soft Currency Area respectively, prior to April 1961—September 1961, should make only one application for a licence in respect of such item from General Area, in the manner indicated below :—

- (i) In the case of items which were licensable from Soft Currency Area only during October 1960/March 1961 licensing period, the established importer, holding two quota certificates on former dollar area and former soft currency area will be entitled to receive quota licence on the combined value of both the quota certificates provided the past imports shown in the quota certificates fall in the same financial year within the basic period. But if the imports fall in different basic years, the established importer will be free to claim a quota licence only on one quota certificate which may be advantageous to him for the purpose of obtaining a quota licence.
- (ii) In the case of a serial number or sub-serial number for which separate quota licences could be issued on General Area and Soft Currency Area during October 1960/March 1961 licensing period, the established importer holding two quota certificates in respect of past imports from former Dollar and former soft Currency Areas in the same or different financial years within the basic period, will be eligible to receive quota licence on the combined value of the two quota certificates. In such cases also the established importer should submit only one application for a quota licence.

Note.—It may be clarified that the concession of granting quota licences on the combined value of two certificates issued prior to April—September 1961 period will not be available when the quota has to be refixed consequent upon change in the classification of goods, introduction of a new serial no., sub-serial no., or split up of the existing serial no./sub-serial no., into two or more serial nos./subserial nos. The fresh quota certificate issued will be in respect of past imports of the goods admissible for quota fixation under the particular serial no. or sub-serial no. in a common financial prescribed basic period.

- (iii) The established importers should give declaration in the following form along with their applications :—

"We possess/do not possess two quota certificates for serial number/sub-serial number (to be specified) and declare that we have submitted no other application for obtaining quota licence."

Note.—This declaration has been incorporated in the application form 'A' meant for established importers and need not, therefore, be furnished separately. This declaration is also not necessary in the case of applications for licences based on quota certificates issued after 31st March, 1961.

- (5) As a measure of relief to importers from Pakistan and Bangladesh, separate licences will be

issued based on the quota certificates pertaining to the past imports from Pakistan and Bangladesh. The value of such separate licences will be calculated on the same quota percentage as is applicable in respect of the item concerned for import from General Area as a whole in terms of the relevant Import Trade Control Policy in the same manner as indicated in this para. The separate licences so issued will be valid for import from General Area.

Minimum/Maximum Value of licences

45. (1) If an established importer is eligible to a licence in terms of para 39 above, the minimum value of quota/additional/supplementary licence issued to him will be Rs. 1,250/-, unless otherwise provided.

(2) In the case of division of quota of an established importer on account of dissolution of the partnership, death of the proprietor, partition of the Hindu undivided family or any other reason, the division of quota is allowed to enable the succeeding parties to get their proportionate shares of the approved quota of the original firm. While allowing the division of quota in such cases, none of the succeeding parties will be allowed the concession of obtaining minimum value licences provided in this para but the total value of licences admissible to all the succeeding parties, taken together, will be equal to the entitlement of the original firm had there been no division of quota. The quota certificates granted to such parties will be suitably endorsed in this regard. It may be clarified that if under the provisions of this sub-para, the value of a licence to be issued to a succeeding party comes to Rs. 100/- or less, such party will not be eligible to the licence in terms of sub-para. 38(2) above.

(3) Quota licences issued to established importers may be subject to such maximum value limit as may be fixed in terms of the import policy in force.

Established importers having more than one office in India

46. (1) The head office and branches of an established importer concern should obtain separate quota certificates in respect of past imports standing in the name of each of them; and the basic year for the head office and all its branches should be one and the same in respect of articles falling under one serial number or sub-serial number of the I.T.C. Schedule as the case may be.

(2) The head office and branches of an established importer should, when applying for licences, append to their applications a certificate as in Appendix 8 to this book, certifying that the head office and all the branches of the concern in India have selected a particular financial year as the common basic year and the quota certificate on the basis of which an import licence is claimed, gives the certified particulars of previous imports in that common basic year.

(3) Under the rules the clearance of goods imported by a branch of a concern should be allowed only against a licence issued to that particular branch. But a relaxation has been allowed to permit the clearance of goods imported by one branch against a licence

issued to another branch. In such cases the Bill of Entry will show the number of the licence and full particulars of the licence-holder and the benefit of past imports for the purpose of quota fixation will be given to the branch holding the licence against which the imports have been effected and not to the branch which cleared the goods.

(4) For the purpose of determining whether the applicants are separate entities or branches, the following will be the criteria :—

- (i) If the concerns are assessed to income-tax jointly *i.e.*, have a common I.V.C. . . o., they will be treated as branches or head office and its branches.
- (ii) If the firms are proprietary/partnership concerns and are assessed to income-tax separately and have separate I.V.C. Nos. but are owned by one and the same person or the same set of persons, they will be treated as branches or head office and its branches.
- (iii) Limited companies, whether Public or Private with the same set of Directors or otherwise, which are assessed to income-tax separately and have separate I.V.C. Nos. will be treated as separate entities.

Issue of import licences to established importers against applications for back periods

47. Although every possible effort will be made by the licensing authorities to dispose of all applications for import licences submitted in a particular licensing period within the currency of that period there may be cases where the final disposal of the application is delayed for the following reasons :—

- (i) Laches on the part of the applicant by making incomplete applications or by late submission of required documents/information.
- (ii) Delay in the processing/consideration of the case due to unforeseen circumstances beyond the control of the import trade control authorities or other Government department.

In the type of cases covered by category (i) above no import licences would be granted against applications for back periods. But in the type of cases covered by category number (ii), the applications for back periods will be considered subject to the availability of monetary foreign exchange ceiling in the following manner :—

- (a) Where the item concerned is licensable to established importers at the time of issue of the licence, the application for the back period will be considered in the normal course in terms of the import policy for the licensing period to which the application pertains. In the case of composite serial number or sub serial no. of the I.T.C. Schedule, covering more than one item/specification, the licence will be valid only for such of the items/specifications, covered by the serial number or sub serial number in ques-

tion as are licensable to established importers at the time of issue of the licence;

- (b) Where the item concerned is not licensable to established importers at the time of issue of the licence and the application for consideration pertains to the immediately preceding period, such application will be considered in the normal course in terms of the import policy for the licensing period to which the application pertains, provided the import of the item in question is not canalised through any agency at the time of issue of the licence; and
- (c) No licences for back periods will be issued in cases not covered by (a) and (b) above and for items whose import is canalised at the time of consideration of the application. However, in order to alleviate the hardship caused to the applicant by the total refusal of licences in such cases, the licensing authority may consider such application on *ad hoc* basis and issue licences for permissible items in lieu of banned and canalised items. Such licences where granted will be subject to such restrictions, limitation or conditions and for such value as may be deemed fit and decided by the licensing authority. The import licences for alternative items issued under this provision will also be subject to the conditions/restrictions applicable to such alternative item in terms of the policy for the licensing period in which the licence has been issued and not the policy for the period to which the application pertains.

Recognition of new established importers and transfers of Quotas (TQR)

48. An established importer may be (i) an individual, (ii) a partnership concern, (iii) a karta of a Hindu undivided family in respect of the family business, (iv) a limited company and (v) any association or body of individuals. Licences are granted in the name of the business belonging to the established importer. Where there is any change in the ownership constitution or name of the business, the established importer will not be eligible to the grant of licences as he ceases to be an established importer. However, in public interest and for continuity of business, the licensing authority may recognise new established importers in respect of any business in accordance with the provisions made in the following paragraphs.

49. Where there is a change in the ownership or constitution of an established importer's business, without any change in the name of the business, and the new owner or the reconstituted concern, as the case may be, acquires the quota of the original concern, as a whole, the quota belonging to the original concern will be deemed to have been transferred to the new concern. The new concern can obtain import licences on the basis of such quota, if otherwise admissible. In such cases no application for TQR need be made but an intimation about the change should be sent, in the form given in Appendix 9 to the licensing authority

concerned with the issue of the licence within 90 days of the date of the change. The constitution of the new concern should also be mentioned in the usual manner in the next application for import licence, indicating therein the nature of the change and the date from which it has taken place. In cases where the intimation about the change is sent after the expiry of 90 days the quota entitlement of the applicant will be liable to a cut of 25% in the first licensing period after the change. The licensing authorities may, however, condone the delay if it is satisfied that the delay was due to circumstances, beyond the control of the applicant.

50. Where there is a change in a name of the established importers business, without any change in the ownership or constitution of the business, no application for TQR need be made. The established importer should produce his quota certificate to the licensing authority concerned for necessary change therein, alongwith an affidavit about the change of name and affirming that he will not claim any licence in future in the old name. Where a private limited company becomes a public limited company or *vice versa*, it should report the fact to the licensing authority concerned.

51. Where there is a change in the name of established importers business alongwith a change in the ownership or constitution of the business, the new concern cannot claim import licences on the basis of the quota of the original concern, without obtaining TQR in its favour. The application for TQR should be made to the licensing authority concerned.

52. Where there is any change in the ownership or constitution of an established importers business and, as a result of such change, a part of the quota of the original concern is required to be separated or the quota of the original concern is required to be divided, the application for such separation of the quota or for its division, as the case may be, should be made to the concerned licensing authority. If the quota to be separated is also sought to be transferred in favour of any persons, the transferee should also make the application for TQR to the licensing authority concerned. In such cases, the new owner or the reconstituted concern(s) cannot claim import licences on the basis of the quota standing in the name of the original concern without obtaining TQR.

53. Where an established importer is a limited company and the company is amalgamated with another limited company, the application for TQR in favour of the new company should be made to the licensing authority concerned, supported by an order of the competent court or other evidence of amalgamation.

54. *Application for TQR.*—An application for TQR should be made in the form given in Appendix 10 along with the prescribed documentary evidence. The jurisdiction of the port licensing authorities for dealing with such applications is given in Appendix 11. The application for TQR should be made by the head office of the applicant concern, covering all its branches, and such application should be made to the licensing authority in whose jurisdiction the head office is situated.

55. The application made in terms of paragraphs 51 and 52 above should be accompanied by the following documents :—

- (i) In the event of death of any person, a death certificate should be produced;
- (ii) In the event of relinquishment of rights by any person in favour of another, an affidavit of relinquishment should be produced;
- (iii) If the transfer of quota in favour of any legal heir or heirs is claimed on the basis of a 'will', the application should also be supported by the said 'will' and the probate thereof or an affidavit of consent by all the other legal heirs;
- (iv) Partnership deed of the outgoing concern;
- (v) Partnership deed of the incoming concern if it is a partnership concern;
- (vi) If the business has been sold, deed of transfer duly registered with the Registrar of Documents should be produced; if the firm is dissolved, a deed of dissolution should be produced.
- (vii) Where a common basic year is required to be selected for calculation of quota, application should be supported by an affidavit to the effect that the parties will select a common basic year for the establishment of quotas in respect of same or similar items on the basis of the business done by the outgoing concern; and
- (viii) Any other document on which the applicant may rely in support of his application.

56. Affidavit to be produced by the applicants with their application for transfer/division of quotas, wherever laid down, should be sworn before a 1st Class Magistrate or a Notary Public.

57. (i) Subject to the provisions in sub-para. (ii) and (iii) below, an established importer is not allowed to transfer his business to which a quota is attached except as a whole :

(ii) If an established importer has two or more branches, each having a separate quota in respect thereof, it will be open to such established importer to transfer the business of any branch with the entire quota belonging to that branch.

(iii) Where due to a change of a sole agency in respect of the products of a foreign manufacturer, the old agent agrees to transfer the whole or a part of his quota to the new agent, the transfer/division of the quota is permissible.

(iv) Where an established importer has also got a manufacturing business, and any of the items in which he has a quota as an established importer may be required for use in such manufacturing business, the established importer can transfer his business as an established importer except for the items which may be required for use in the manufacturing business. If, in such a case, an established importer transfer his

manufacturing business, his established importer quota in respect of items which may be required as raw materials, components or spares in the said manufacturing business will lapse.

58. In the following types of cases, import licences can be claimed only against quotas calculated on 'common basic year', in respect of same or similar items on the basis of the business done by the outgoing concern :—

- (a) Where a quota is divided and transferred in part to several persons separately, the persons in whose favour the quota is transferred have to select a common basis year. However, where a person acquires a quota in respect of any item transferred in his favour, and he already holds a quota in respect of the same item by virtue of a business done separately, it shall be open to him to claim licences on the combined value of the two quota certificates even if the quota certificates are in different basic years. This will also apply in the case of amalgamation of two limited companies.
- (b) in cases falling under sub-paragraph 57(ii) and 57 (iii) above, the transferor and the transferee will be required to select common basic year for the same or similar items; and
- (c) the provisions of this paragraph will also apply to cases where the parties have been exempted from making applications for TQR.

59. (1) Where an application for TQR is required to be made in terms of these provisions, such application should be made so as to reach the licensing authority, complete in all respects, within a period of 90 days from the date of change in the ownership, constitution or name of business, etc., as the case may be. The licensing authority may, however, in deserving cases, condone the delay in making the application if such authority is satisfied that the delay was caused by circumstances beyond the control of the applicant. If the applicant is not in a position to make an application, complete in all respects, within the prescribed period of 90 days due to the formalities to be observed in getting the deed of transfer of business registered with the Registrar of Documents; he can apply by producing an attested copy of the transfer deed with an evidence to show that the original deed has been deposited for registration and should furnish an undertaking to the effect that the original deed duly registered will be produced by him within a period of 15 days from the date of registration.

(2) Where an application for TQR, complete in all respects i.e., accompanied by documents specified in paragraph 55 above, is received by the licensing authority concerned within a period of 90 days from the date of change in the ownership, constitution or name of the business, as the case may be, or where the delay in the receipt of the application is condoned by the licensing authority, as indicated in sub-paragraph (1) of this paragraph, the transferee will be eligible to the transfer of quota from the licensing period during which the change occurred. In other cases, the TQR

will be effective from the licensing period during which the application for TQR is made complete in all respects. In the case of deficient applications, the TQR will be valid from the licensing period during which the documents specified in paragraph 55 above are produced.

(3) Where an applicant is unable to produce original documents specified in paragraph 55 above, he may submit photostat/certified/attested copies thereof in support of his application for TQR. The application may, in such a case, be considered on production of the original documents subsequently to show that the photostat/certified/attested copies are correct. The benefit of TQR may in such a case be given from the date on which the photostat/certified/attested copies of the documents in question were received if the TQR is otherwise admissible from such date.

(4) The licensing authorities will dispose of applications for TQR expeditiously. If an application for TQR, made complete in all respects, is not disposed of within a period of one month, the licensing authority will issue an interim reply to the applicant. If an applicant does not receive an interim reply even within this time limit, he can bring the matter to the notice of the Public Relations Officer in the Import Trade Control office concerned; or book an interview with the Officer concerned through the Enquiry Officer in order to know the reasons for the delay in the disposal of his application.

60. (i) Where an established importer has duly made an application for licence, but there is a change in the ownership or constitution or name of the business before the licence is granted, the licence will be granted on such application, if otherwise admissible, to the new owner or owners of newly constituted firm, etc., after their having been recognised as established importer provided the validity of the TQR under subpara 59(2) above covers the period of the application in question. The licensing authority may also consider the grant of licences in favour of new owner(s) of the business or the reconstituted concern etc. against other pending claims of the old owner(s) of the business, if otherwise admissible, provided the agreement between the parties or the affidavit of relinquishment specifically contains a provision to this effect.

(ii) If the licensing authority is satisfied that the approval to the recognition and grant of quota is likely to be delayed on account of circumstances beyond the control of the applicant, it will be open to the licensing authority to grant licences to the applicant in anticipation of the approval, if the applications are otherwise in order.

(iii) The rules and procedure for the grant of licences for back periods to established importers will also apply to the applications for licences to be issued to newly recognised established importers.

61. In the following types of cases, the quota of established importer will lapse :—

- (i) If the established importer is an individual and is declared insolvent; and
- (ii) If the established importer is a limited company which is wound up without any arrange-

gement having been made for the transfer of its business.

62. In the following cases, no change in the ownership of the business will be held to have taken place for the purpose of these rules.

- (i) Change of directors or share holders in public or private limited company.
- (ii) Changes in the Hindu undivided family by birth, death or otherwise; this will not however, apply to the death or retirement of karta.
- (iii) Change of address of an established importers business.

63. Any case which is not strictly covered by any of the above paragraphs will be decided on analogous principles.

64. In cases where an application for TQR is not required to be made under the foregoing provision of the application for licence should be accompanied by a declaration in the form given in Appendix 9.

65. Where the new established importers have been exempted from making applications for TQR, the import licences will be issued to them in the normal course, if otherwise admissible. They will, however, be required to state in their applications for licences the changes occurring in the business and the dates from which such changes have taken place. If in such cases, any objection is received from any person at any time against the licences claimed or granted the licensing authority will examine such objection and call for such evidence from both the parties as may be deemed necessary. If as a result of the examination, the licensing authority finds that the established importer is not entitled to the whole or a part of the quota on the basis of which he has been claiming licences without obtaining sanction for TOR, the quota of the established importer will be reduced accordingly; and the parties found guilty of misrepresentation or contravention of these rules, will be liable to penal action under the Imports and Exports (Control) Act and the Orders issued thereunder. In such cases the value of the excess licences already obtained by the party will also be adjusted against the future quotas of the party in respect of any items for any category.

66. If the objection in terms of paragraph 65 above is made to the licensing authority concerned within three months from the date of the changes in the constitution or ownership or name of the establishment importer's business, and the objector is found to be entitled to either whole or a part of the quota, he will be eligible to the transfer of such quota in his favour. The licensing authority may also condone the delay in making the objection, if such authority is satisfied that the delay was caused by circumstances beyond the control of the objector.

67. It will be open to the licensing authority to reject the applications for TQR :—

- (i) If the application or the documents accompanying the application are defective;

- (ii) If the licensing authority decides that the recognition and grant of quota is not in public interest or for continuity of any business;
- (iii) If the licensing authority decides that the transfer/division of quota is sought with an intention to defeat the transferors' creditors;

and

- (iv) For any other reasons to be recorded.

68. The licensing authority may, after giving a reasonable opportunity to the persons who have been recognised as established importers and to whom a quota has been granted, of being heard, cancel or amend the order regarding recognition of new established importer and grant of quota, if it is found—

- (i) That the application for recognition and grant of quota contained any false, fraudulent or misleading information;
- (ii) That the evidence tendered by the applicant contained any document which was false or fabricated or had been tampered with;
- (iii) That the applicant is guilty of any corrupt or fraudulent practice in respect of his application; and
- (iv) That the recognition and the quota has been granted through inadvertence or mistake or contrary to the provisions of these rules or due to any fraud or misrepresentation.

Permission for utilisation of quota licences.

68A. Where an import licence has been granted to an established importer and after the grant of the licence but before its utilisation, there is change in the ownership or constitution or name of the established importer's business, the new owner of the business or the reconstituted concern etc. as the case may be can not utilise the licence in question without obtaining a written permission from the licensing authority which granted the licence or from any other person empowered in this behalf by such authority in terms of sub-clause 5(3) of the Imports (Control) Order, 1955, dated the 7th December, 1955 as amended. In such cases, an application for obtaining the necessary permission of the authority concerned should be supported by an affidavit of the applicant, sworn before a

1st Class Magistrate or Notary Public to the effect that he is the rightful successor of the business for which the licence in question was issued and that, in the event of any mis-statement subsequently detected in this respect, he will be liable to all actions and consequences arising therefrom.

Issue of fresh quota certificates consequent on transfer/division of quotas

68B. (1) In the event of a change in the ownership or constitution of a business without any change in the name of the business, where the new owner or the reconstituted concern as the case may be is not required to apply for TQR, the quota certificates standing in the name of the original concern will be endorsed by the licensing authority concerned indicating therein the nature of the change and the date from which the change has taken place.

(2) If the name of the business changes, the quota certificate will be amended by the licensing authority concerned by changing the name of the established importer's business appearing thereon. An endorsement will also be made on the quota certificate indicating the date from which the change has taken place.

(3) Where a quota has been divided, the quota certificates and their counterfoils standing in the name of the dissolved concern will be cancelled and fresh quota certificates will be issued in the name of the succeeding parties concerned according to share of the quota transferred in their name. A suitable endorsement giving the number and date of the order, under which division/transfer has been allowed by the I.T.C. authority concerned will also be made on the old and fresh quota certificates and their counterfoils.

(4) The person concerned should produce the quota certificate to the licensing authority who issued the same, for necessary endorsement/amendment as indicated above immediately after the change has occurred. In cases where the new owner or the reconstituted concern is required to apply for TQR, the quota certificates should be produced to the licensing authority concerned for necessary endorsement/amendment immediately and, in any case, not later than 30 days, after the new owner or the reconstituted concern, as the case may be, has been recognised as an established importer.

CHAPTER IV

ACTUAL USERS (INDUSTRIAL)

69. (1) *Definition*.—Actual users (industrial) are those who require raw materials, components, accessories, machinery and spare parts for their own use in an industrial manufacturing process.

(2) *Categories of actual users*.—Broadly speaking there are three categories of industrial actual users, viz., (i) scheduled industries borne on the registers of the Directorate General of Technical Development, (ii) scheduled industries not borne on the registers of the Directorate General of Technical Development and non-scheduled industries other than small scale industries, (iii) small scale industries.

(3) *Direct allotments of imported materials by canalising agencies*.—During 1976-77, a new system has been introduced under which actual users will be able to obtain allotments of certain imported materials directly from canalising agencies to cover their requirement for a period not exceeding 12 months, without having to obtain a recommendation from the sponsoring authority or a Release Order from the licensing authority. For this purpose, the actual users will be required to make direct applications for allotments to the canalising agencies concerned in a prescribed form (appearing in Appendix 3) in terms of the import policy contained in Red Book (Volume I). Applications for automatic licences/Release Orders and for supplementary licences/Release Orders made to the licensing authorities should not, therefore, include these raw materials. Also, the statement of consumption etc. to be furnished by actual users with their import applications to the licensing authorities should not include the cif value of consumption of these raw materials. In respect of these raw materials, separate import applications can be made in exceptional cases to the licensing authorities where the canalising agency is unable to supply the material within the time as stipulated in the import policy in force and where necessary evidence to this effect is produced to the satisfaction of the licensing authority. The detailed policy in this regard is contained in Red Book (Volume I).

(4) *Late applications by Actual Users*.—Where last dates have been prescribed for submission of applications by actual users, in the relevant import policy, the applications received after the prescribed last date will be liable to be summarily rejected. The licensing authority may, however, accept such applications, if otherwise in order, with 25% cut in the import entitlement where the delay in the submission of the application is not more than three months.

Scheduled industries borne on the registers of the Directorate General of Technical Development

70. *Procedure for submission of applications for raw materials, components and spares*.—(1) *Licensing and sponsoring authorities*.—Actual users borne on

the registers of the Directorate General of Technical Development for a particular industry, should, in respect of goods required for that industry, apply to the Chief Controller of Imports and Exports, New Delhi, through the Directorate General of Technical Development (Import Cell) in the prescribed form. The envelopes should be superscribed "import application" and addressed to the Assistant Director (Import Cell), Directorate General of Technical Development, New Delhi. These applications will be forwarded by the Directorate General of Technical Development with their recommendations to the Chief Controller of Imports and Exports, New Delhi, for necessary action. Where the relevant import policy provides for submission of import applications direct to the licensing authority the applications in such cases should not be made through DGTD. Applications made under the procedure for "automatic licensing" (Please see para 72 infra) should be submitted direct to the licensing authority i.e., CCI&E etc.

(2) *Form of application*.—The applications should be made, in Triplicate, in the prescribed form "C" (C-I or C-II as the case may be) as given in this Book. Actual users applying for Iron & Steel items and ferro alloys should also use form "C-I-II" (Appendix—3). The applications should be accompanied by :—

- (a) Treasury/bank receipt showing the payment of application fee on the value applied for;
- (b) Seven copies of the list of items sought to be imported (out of these seven copies, one copy will be returned by the Directorate General of Technical Development to the applicant with such amendments as the Directorate General of Technical Development may make in cases where applications are made through the DGTD). If the number of licences to be issued in a particular case is more than one, the licensing authority will require seven copies of the list of goods to be imported against each licence. Therefore, the number of copies of the list of items likely to be required, may be calculated by the applicant on the basis of seven copies for each licence of the set of previous licences issued;
- (c) Any other document/information considered necessary or required in terms of the provision of this Book, or the relevant Import Trade Control Policy Book, or any Public Notice/Trade Notice issued in this regard.

(3) *Consolidated applications*.—(a) An application for a licence should be a consolidated application, covering the requirements of the unit in respect of raw materials and components, required for the particular end-product including related end-products to

which the application pertains, but excluding iron and steel items and ferro alloys. The applicants should make applications after careful consideration so that the necessity for applying for a change in the description of items or introducing any new items at a later stage does not arise. Unless there are special reasons, requests for amendment or addition to the list or description of items or value thereof; will not be entertained.

(b) In the case of IDA industries (listed in Appendix 6 to this book), the applicants should also include iron and steel items and ferro alloys in their consolidated applications for raw materials and components, made to the Chief Controller of Imports and Exports, New Delhi. In such cases, no separate applications in respect of iron and steel items and ferro alloys need be made.

Note.—Where an actual user has to import goods through different agents by obtaining letters of authority in favour of such agents, the application for licence should be accompanied by separate lists of goods to be imported through each agent. In such cases the actual user can also make separate applications for licences in respect of goods to be imported by him through different agents.

(4) *Code numbers.*—For facility of reference, the Directorate General of Technical Development will allot code numbers to each industrial unit borne on their books. As and when code numbers are allotted by the D.G.T.D., the unit should quote its code number in its application for licence; and also in all subsequent communications, so that cross-referencing is facilitated. In the licensing sections of the Office of the Chief Controller of Imports and Exports, suitable adjustments will be made in the filling and indexing system to mesh with the processing of applications for licences on the code numbers allotted by the D.G.T.D. If no code number has been allotted to a unit by the D.G.T.D., the words 'not allotted' should be written by the applicant against relevant column at top at the prescribed form of application for licence (Form 'C').

(5) *Guide-lines for applicants.*—Applicants should also observe the following instructions while applying for licences :—

- (i) The stocks held and the expected arrivals against licences in hand as on the date of application for licence, should be indicated in the appropriate column in the application for licence;
- (ii) Full details of the items applied for and justification for their import vis-a-vis use of indigenous substitutes, the value/quantity in respect of each item and the I.T.C. classification of the items should be invariably indicated in the application for licence;
- (iii) The detailed end-use of the raw materials/components applied for should be mentioned in the application;

- (iv) The factory number and the code number if allotted by the Directorate General of Technical Development to the scheduled unit should be given in the relevant columns in the application form;
- (v) It should also be indicated in the application whether the applicant has been licensed under the Industries (Development and Regulation) Act, 1951, and if so, the licence number may be quoted;
- (vi) Efforts made for procuring the goods applied for or substituted thereof from the internal market or indigenous manufacturers and the result of such efforts should also be indicated in the application (the indigenous manufacturers published in the Hand Book of Indigenous Manufacturers should be contacted for the supply of articles manufactured by them); and
- (vii) No application should be made for raw materials, etc., required for the manufacture of new items, unless a licence for such manufacture has been obtained under the Industries (Development and Regulation) Act, 1951. wherever necessary.

Select Industries

71. (1) The list of priority industries which has been in operation since April 1966—March 1967, has been discontinued from the licensing period April 1975—March 1976.

(2) A list of select industries has been drawn up which appears in Appendix 12.

Units borne on the books of the DGTD (Existing Units)

(i) Import of raw materials and components

72. (1) *Applications for automatic licences.*—The existing units borne on the books of the DGTD whether engaged in select or other industries, should make applications for the grant of "automatic" licences on an annual basis for import of raw materials and components, end product-wise (including related endproducts). The applications should be made in duplicate to the Chief Controller of Imports & Exports, New Delhi and not through the DGTD, within the last date prescribed for submission of such applications in the relevant import policy (Red Book-Volume I).

(2) The application for "automatic" import licence for raw materials and components should be accompanied by a statement showing consumption of imported raw materials and components in the preceding year and other particulars in the proforma appearing in Appendix 14, duly certified by a Chartered Accountant or a Cost Accountant in practice who is not a partner or an employee of the applicant or his associates. The Cost Accountant must be a member of the institute of Cost & Works Accountants of India Calcutta and authorised to undertake practice. The applicant and the Chartered Accountant/Cost Accountant should ensure that the information given in the statement is complete and accurate. Applications

supported by incorrect statements will be liable to be summarily rejected without prejudice to any other action that may be taken in this behalf. The licensing authority may, if necessary, call for further evidence to verify the correctness of the information furnished in the said statement.

(3) The applicant should furnish four copies of the statement of consumption referred to in sub-para (2) above. The licensing authority will send copies of the consumption statement to the DGTD and Central Excise authorities concerned.

73. (1) *Applications for supplementary licences.*—The existing units borne on the books of the DGTD, engaged in select industries, may also apply separately for the grant of supplementary import licence on an annual basis for import of raw materials and components. Applications for supplementary licences should be made to the Chief Controller of Imports and Exports, New Delhi through the DGTD. Such application should be made within the last date prescribed for the purpose in the relevant import policy (Red Book-Volume I).

(2) Applications for supplementary licence should also be accompanied by a statement of consumption etc. referred to in sub-para 72(2) above and such other information/documents as may be necessary in terms of the relevant import policy (Red Book-Vol. I).

(3) The DGTD will examine these applications in consultation with the Economic Adviser, Ministry of Industry & Civil Supplies and forward the same to the Chief Controller of Imports & Exports with their recommendations.

(4) Where the import policy provides that Industries other than those in select list can also apply for supplementary licences, the procedure for submission and processing of such applications will be the same as for the Select Industries.

(ii) *Import of spare parts*

74. (1) *Separate applications for spares.*—The existing units borne on the books of the DGTD whether engaged in select or other industries, should submit separate applications on an annual basis for import of spare parts to the licensing authorities direct. Such applications should be submitted within the last date prescribed for the purpose in the relevant import policy (Red Book—Vol. I).

(2) *Particulars of machinery to be furnished.*—Applications for import of spare parts should be accompanied by a statement indicating all the particulars of imported machinery as well as indigenous machinery, having imported components, installed or used in the applicants units, for the maintenance of which the spare parts are sought to be imported. A proforma of the statement in which particulars are to be furnished is given in Appendix 13. Where an application for import of spare parts is made on a 'repeat' basis in terms of the policy in force, the applicant will not be required to furnish the particulars of machinery.

(3) *No list of spare parts.*—It will not be necessary for an applicant to furnish a list of spare parts to be

imported. Import licences for spare parts will be valid for the import of spare parts (including consumable spare parts) required for the plant, machinery and equipment installed and used in the licence-holder's factory, including spare parts of ancillary equipments, control and laboratory instruments and safety appliances subject to such restrictions or conditions as may be imposed or applicable in terms of the relevant import policy.

Processing of applications and basis of licensing

75. (1) *Check Sheets to be furnished.*—Each application for import of raw materials and components, should be accompanied by the appropriate Check Sheet duly filled in and signed by the applicant. A specimen of the Check Sheet appears in Appendix 38 to this book.

(2) Applications for licences received in the Directorate General of Technical Development or by the licensing authority, if the application is submitted to it direct, without the treasury challan showing the payment of application fee or where the treasury challan furnished by the applicant is not of the correct amount which the applicant is required to pay on the value applied for, may be returned to the applicant indicating to him the correct amount to be paid as application fee and advising him to resubmit the application with the treasury challan of the requisite amount within a specified time.

(3) *Acknowledgement by D.G.T.D. or the licensing authority.*—While acknowledging the application, the Directorate General of Technical Development or the licensing authority, if the application is submitted to it direct will also inform the applicant about the deficiencies in his application. For the purpose of locating the deficiencies in an application, the Directorate General of Technical Development or the licensing authority, if the application is submitted to it direct, may also check up whether the IVC No. quoted by the applicant in his application is valid for the period to which the application pertains and the deficiencies if any in the IVC No. may also be communicated by the DGTD or the licensing authority, if the application is submitted to it direct to the applicant along with other deficiencies in their acknowledgement-cum-deficiency letter. The applicant will be given a specified time-limit to make up the deficiencies.

(4) *Monthly Production Returns.*—The Directorate General of Technical Development will also check up whether the applicant has furnished to them the complete monthly production returns for the preceding Calendar year in respect of the industrial unit to which the application for the licence pertains. In the case of units failing to submit complete monthly production returns, applications for licences will be liable to be summarily rejected.

(5) *Basis of recommendation and licensing.*—The recommendations for grant or refusal of licences will be made by the Directorate General of Technical Development on the basis of (i) foreign exchange availability or availability of other monetary ceilings, (ii) availability of the goods applied for from indigenous sources or other commercial channels, (iii)

essentiality of the goods applied for, (iv) stocks in hand and expected arrivals, (v) past imports and past consumption of the item(s) in question, by the applicant, (vi) actual production during the preceding calendar year, (vii) estimated production, (viii) policy in respect of items sought to be imported, (ix) importance of the user industry to the national economy, (x) needs of export production, (xi) value of licences/release orders issued in the previous licensing period(s) and (xii) other factors considered relevant and necessary, in terms of the policy in force. In his recommendation for the licence the DGTD will indicate a separate allocation for raw materials and components and a separate allocation for spares. The D.G.T.D. will also indicate quantitative limits in respect of items licensable on restricted basis in terms of the relevant import policy in force. In cases where, import applications are to be made direct to the licensing authority, the value of licences/release orders to be issued may also be determined by the licensing authority having regard to these factors and the provisions made in the relevant import policy (Red Book—Vol. I).

(6) *Attestation of list of goods by D.G.T.D.*—(a) The recommendation of the Directorate General of Technical Development will be forwarded to the C.C.I. & E. along with one copy of the application for licences in each case and the treasury challan furnished by the party. Five copies of the list of goods recommended for import by the Directorate General of Technical Development including one copy of the list duly attested by them will also be sent to the C.C.I. & E. along with the recommendation in all cases. The Directorate General of Technical Development will also send a copy of their recommendation to the applicant returning to him therewith one copy of the list of goods applied for with such changes as may be made by them in the list. If an applicant has furnished more copies of the list of items sought to be imported, depending upon the number of licences to be issued against the application, the extra copies sent by the applicant will also be forwarded by the D.G.T.D. to the C.C.I. & E. with the application for licence. If more than one licence is recommended against an application, and the applicant has not furnished the required number of copies of the list of items to be imported, the D.G.T.D., while sending a copy of their recommendation to the applicant, will inform him to send the required number of copies of the list of items to the Chief Controller of Imports and Exports direct. The number of copies of the list of items likely to be required may be calculated on the basis of seven copies for each licence to be issued.

(b) The recommendation of the D.G.T.D. should indicate the date on which the application was received in the D.G.T.D.

(7) The D.G.T.D. will send one copy of the import application to the Economic Adviser in the Ministry of Industry and Civil Supplies, New Delhi.

(2) Where import applications are to be made direct to the licensing authority, the applicant should furnish the requisite number of copies of list of items

sought to be imported. The number of copies of the list of items likely to be required may be calculated on the basis of seven copies for each licence to be issued under the provisions made in the relevant import policy (Red Book-Vol. I).

(9) *Processing in licence office.*—On receipt of the import application whether direct from the applicant or through D.G.T.D.; the licensing authority will check of the I.V.C. number, treasury challan and other procedural points relating to the import trade control rules and regulations. If the application is found to be in order, the licence will be issued or refused, as the case may be based on the recommendation of the Directorate General of Technical Development or the relevant import policy, as the case may be.

(10) *Consolidated licences.*—Import licences will be consolidated ones, covering the requirements of the applicant unit in respect of raw materials and components required for a particular end-product including related end-products.

(11) *Intimation to sponsoring authority.*—(a) Where the licensing authority does not, for any reason accept the advice/recommendation of the Directorate General of Technical Development in its entirety, the necessary intimation to this effect will be given to the D.G.T.D.

(b) Copies of the forwarding letters with which licences are sent to the applicants, will be endorsed by the licensing authority to the D.G.T.D. in the subject matter of the letter in question, the 'end-product' will also be indicated. Similarly, in the case of rejection letters, copies of the rejection letters, will be endorsed to the D.G.T.D. Where applications are made direct to the licensing authority a copy of the application will also be sent by the licensing authority to the DGTD while giving information about the grant of licence/release order.

(12) *Cases in which separate licences will be issued.*—Instead of issuing consolidated licences, the licensing authority will issue separate import licences to the following types of cases :—

- (a) where the goods are sought to be imported by the actual user through different agents on the basis of letters of authority;
- (b) Where the mode of payment is different, such as free exchange, foreign credits, rupee, etc.;
- (c) Where the goods are to be imported through different ports.
- (d) Licences for import of spare parts.

(13) *Restrictions on remittances/utilisation of licences.*—The licensing authority may impose on a licence for raw materials, components and spares, such conditions or restrictions as it may consider necessary, regarding utilisation or remittances.

(14) *Amendment.*—Requests for the amendment of licences should also be routed through the Directorate General of Technical Development; and such requests will be considered by the licensing authority on the recommendation of the Directorate General of Techni-

cal Development. However, requests for amendments of minor nature *i.e.*, those not involving change in the value or items, will be entertained direct by the licensing authority. Also, in cases where a licence/release order has been issued on an application made direct to the licensing authority, the request for amendment, if any, in the said licence/release order may be made direct to the licensing authority concerned.

(15) *Revalidation.*—The procedure for making application for revalidation of licences is given in Chapter XI of this book.

Scheduled Industries not borne on the Registers of the Directorate General of Technical Development and non-Scheduled Industries other than Small Scale.

Import of raw materials, components and spares

76. (1) *Classification into two groups.*—For the purpose of import applications for raw materials, components and spares, the actual users excluding small-scale units, not borne on the books of the D.G.T.D., for the particular end-product, have been classified into two groups, namely, (i) units sponsored by the State Directors of Industries, or State Drugs Controllers, State Directors of Fisheries or Agricultural Marketing Adviser to the Government of India, Faridabad, and (ii) those looked after by other sponsoring authorities.
- (2) (a) In the case of units falling in group (i) in sub-para (1) above, whether engaged in select industries listed in Appendix 12 or other industries, the procedure for submission of applications and grant of licences will be the same as for the S.S.I., units indicated, separately in this chapter.
- (b) In the case of units falling in group (ii) in sub-para (1) above whether engaged in select industries listed in Appendix 12 or other industries, the procedure for submission of applications and grant of licences will be the same as for the D.G.T.D., units indicated separately in this chapter. The applications for import licences should be made by such units to the licensing authorities concerned through the respective sponsoring authorities, except in cases covered by para 72 above.
- (c) In respect of spare parts sought to be imported by integrated steel plants in the private sector and secondary producers and re-rollers (Iron and Steel Industries), the procedure for submission of applications and grant of licences will be same as applicable

to steel plants in the public sector as laid down in Chapter VIII of this book. In other words, the applications, as in the case of steel plants in the public sector, will be considered and licences issued by the Chief Controller of Imports and Exports, New Delhi.

(3) *Application form.*—The import applications should be made, in duplicate in the prescribed form 'B' given in this book. Actual users applying for Iron & Steel items and ferro-alloys should also use form 'B'. It is an application-cum-recommendation form. Where an import application is required to be made through the sponsoring authority, the sponsoring authority will give its recommendation in Part III of the application form, and will thereafter, forward the application to the licensing authority concerned for necessary action.

(4) Application for licences should be accompanied by :—

- treasury/bank receipt, showing the payment of application fee on the value applied for;
- the required number of copies of the list of items sought to be imported as indicated in paragraph 70(2)(b) in this chapter; and
- any other document/information considered necessary or required in terms of the provisions of this book; or the relevant Import Trade Control Policy Book; or any Public Notice/Trade Notice, issued in this regard.

(5) *Sponsoring authorities.*—The names of sponsoring authorities through whom the actual users are required to submit their applications for licences, wherever necessary, are given in Appendix 15 to this book. Sponsoring authorities will forward the applications with their recommendations to the regional licensing authorities concerned as indicated in the relevant Import Trade Control Policy (Red Book).

(6) *Licensing authorities.*—Scheduled industries not borne on the books of the D.G.T.D., and non-scheduled industries excluding small scale, falling in sub-group (ii) sub-para (i) of this paragraph, should make their import applications for raw materials, components and spares to the regional licensing authority in whose jurisdiction the unit is situated, except for the items for which the import licensing has been centralised with any particular licensing authority. However, units engaged in the following industries should submit their import applications to the licensing authorities indicated against, each, irrespective of the place where the units is situated :—

Industry

- Textile other than jute and hemp
- Textile engineering

Licensing Authority

Joint Chief Controller of Imports and Exports,
Bombay.

Joint Chief Controller of Imports and Exports,
Bombay.

(iii) Tea including instant tea powder	Joint Chief Controller of Imports and Exports, Calcutta.
(iv) Collieries	Joint Chief Controller of Imports and Exports, Calcutta.
(v) Jute and rope	Joint Chief Controller of Imports and Exports, Calcutta.
(vi) Coffee	Joint Chief Controller of Imports and Exports, Madras.
(vii) Sugar	Joint Chief Controller of Imports and Exports, (C.L.A.), New Delhi.
(viii) Vanaspati	Joint Chief Controller of Imports and Exports, (C.L.A.), New Delhi.
(ix) Coir	Deputy Chief Controller of Imports and Exports, Ernakulam.

(7) *Consolidated applications.*—An application for a licence should be a consolidated application covering the requirements of the unit in respect of raw materials and components required for the particular end-product to which the application pertains; but excluding iron and steel items and ferro alloys or an item for which import licensing has been centralised with any particular licensing authority. In the case of I.D.A., industries the, consolidated application should also include iron and steel items and ferro-alloys. Separate application should be made for import of spare parts including spare parts of machine tools. The applicants should make applications after careful consideration so that the necessity for applying for a change in the description of items or introducing any new item at a later stage does not arise. Unless there are special reasons, the requests for amendment or addition to the list or description of items or value thereof will not be entertained.

Note :—Where an actual user has to import goods through different agents by obtaining letters of authority in favour of such agents, the application for licence should be accompanied by separate lists of goods to the imported through each agent. In such cases the actual user can also make separate applications for licences in respect of goods to be imported by him through different agents.

(8) While applying for licences, the applicant should follow the instructions as stated in sub-para (5) of paragraph 70 in this chapter, wherever applicable.

(9) *Registration of non-D.G.T.D. and non-SSI Units.*—(a) It has been decided that the scheduled industries not borne on the books of the D.G.T.D. and non-scheduled industries other than small scale, should get themselves registered with their respective sponsoring authorities.

(b) A form of application for registration is given in Appendix 16. The sponsoring authority may also call for any additional information from the applicant for considering his application for registration.

(c) The Registration Number allotted to the unit by the sponsoring authority should be quoted in the application.

Processing of application and basis of licensing

77. (1) *Scrutiny by sponsoring authority.*—In cases where applications for licences are required to be made through the sponsoring authorities, the sponsoring authority will send to the applicant an acknowledgement of the application, also indicating therein the deficiencies in the application. For the purpose of locating deficiencies in the application, the sponsoring authority will also check up the I.V.C. No. and the treasury challan furnished by the applicant showing the payment of application fee. In regard to the I.V.C. number, the sponsoring authorities will check up whether the number quoted by the applicant is valid for the licensing period to which the application pertains. In the case of treasury challan the sponsoring authority will see whether the applicant has paid the correct amount due from him on the value applied for. The deficiencies in the I.V.C. number and the treasury challan will also be communicated by the sponsoring authority to the applicant along with other deficiencies in the acknowledgement-cum-deficiency letter sent to the applicant. The applicant will be given specific time limit within which to make up the deficiencies.

(2) *Recommendation by sponsoring authority.*—(a) in cases where applications for licences are required to be made through the sponsoring authorities, the sponsoring authority will prepare four copies of his recommendation for licence in each case in Part III of the application form. Of these four copies, one copy will be sent by him to the applicant, one will be retained in his own office and two copies will be sent by him to the licensing authority concerned along with one copy of the application and the treasury challan furnished by the party. The lists of items will also be sent by the sponsoring authority duly attested by him. In his recommendation for the licence, the sponsoring

Note : Applications for the grant of emergency licences for imports of spare part, should be made to the regional licensing authority concerned in whose jurisdiction the applicant unit is situated.

authority will indicate a separate value for (i) raw materials and components, and (ii) spares.

(b) The recommendation of the sponsoring authority should indicate the date on which the application was received in the office of the sponsoring authority.

(3) *Scrutiny by licensing authority.*—On receipt of the application; the licensing authority will check up the I.V.C. No. the treasury challan and other procedural points, as required in terms of the Import Trade Control rules and regulations. The deficiencies, if any, found therein will be communicated to the applicant giving him a specified time limit within which to make up the deficiencies. In the case of applications found to be in order, the licensing authority will proceed to consider the case on merits on the basis of the certified requirements having regard to the following :—

- (i) availability of foreign exchange or other monetary ceilings;
- (ii) the stock held and expected arrivals against the licences in hand as on the date of application for licence;
- (iii) the quantity of goods or its substitutes likely to be made available through indigenous sources or other commercial channels;
- (iv) past imports/past consumption of the item in question by the applicant;
- (v) the actual production during the proceeding period and the estimated production;
- (vi) any fall in production on account of circumstances such as breakdown of machinery, labour relations, want of funds, etc;
- (vii) policy in respect of items sought to be imported;
- (viii) importance of the user industry to the national economy.
- (ix) needs of export production; and
- (x) value of licences/release orders issued for the previous period(s).
- (xi) other factors considered relevant and necessary in terms of the policy in force.

(4) *Consolidated licences.*—Import licences issued for raw materials, components and spares will be consolidated licences, except that in the following types of cases, separate licences will be issued.—

- (a) where the goods are sought to be imported by the actual user through different agents on the basis of letters of authority;
- (b) where the mode of payment is different, such as free foreign exchange, foreign credits, rupee, etc.;
- (c) where the goods are to be imported through different ports; and
- (d) licences for import of Spare parts,

(5) *Intimation to sponsoring authorities.*—In all cases, the licensing authorities will send intimation to the sponsoring authorities concerned regarding the grant or refusal of import licences to individual units. The letters endorsed to the sponsoring authorities in this regard will also indicate the name of the end-product. In the case of I.D.A. industries, a separate intimation of the licence issued will be endorsed to the Iron and Steel Control Licensing Division/authority concerned where application are made direct to the licensing authority, a copy of the application will also be sent by the licensing authority to the sponsoring authority concerned while sending intimation about the grant of licences/release orders.

(6) *Restrictions on remittances/utilisation of licences.*—The licensing authority may impose on a licence of raw materials, components and spares, such conditions or restrictions as it may consider necessary, regarding utilisation or remittances.

(7) *Amendment.*—Requests for amendments in the value or the items permitted in the licence should also be made to the licensing authority concerned through the appropriate sponsoring authority. However, requests for amendments of minor nature, i.e., those not involving change in the value or items will be entertained direct by the licensing authority. In cases where, import applications are to be made direct to the licensing authority, the value of licences/release orders to be issued may also be determined by the licensing authority having regard to these factors and the provisions made in the relevant import policy (Red Book-Vol. I).

(8) *Revalidation.*—The procedure for making applications for revalidation of licences is given in Chapter XI of this book.

SMALL SCALE INDUSTRIES

78. *Definition of small scale industries.*—(1) Small scale industries will include all industrial units with a capital investment of not more than Rs. 10 lakhs irrespective of the number of persons employed. Capital investment for the purpose of this definition will mean investment in plant and machinery only. When calculating the value of plant and machinery, the original price paid by the owner, irrespective of whether the plant and machinery are new or second-hand, will be taken into account.

(2) *Ancillary units.*—In the case of ancillary units engaged in industries listed in Appendix 17, the capital investment limit of Rs. 10 lakhs referred to in sub para (1) of this paragraph has been relaxed and raised up to Rs. 15 lakhs. Therefore, such units having fixed assets up to Rs. 15 lakhs instead of Rs. 10 lakhs, will also be covered by the definition of small scale industries. A copy of the Ministry of Commerce Public Notice No. 53-ITC(PN)/75 dt. 24.6.75 along with copies of the Ministry of Industry and Civil Supplies Notification and Press Note dt. 19.5.1975 is reproduced in Appendix 29 to this book.

(3) The procedure for the submission of import applications for raw materials, components and spares, applicable to small scale units, will also apply to such of the non-S.S.I. units as are looked after by State Directors of Industries, State Drugs Controllers, Agricultural marketing Adviser to the Government of India, Faridabad, or State Directors of Fisheries. The flat rate of application fees prescribed for small scale units will not, however, apply to such units.

Procedure for submission of applications for raw materials, components and spare parts

79. (1) *Licensing authorities.*—The licensing authority concerned in the case of small scale industrial units will be the regional licensing authority in whose territorial jurisdiction the factory of the actual user is

Industry

- (i) Textile engineering industry, and power-looms and readymade garments (other than hosiery).
- (ii) Handloom industry.
- (iii) Fisheries industry.
- (iv) (a) Fruits and vegetable preservation industry,
- (iv) (b) Cold Storages.
- (v) Coffee industry.
- (vi) Jute and rope industry (using sisal or manila), excluding laminated Jute goods, Jute textile engineering industry and wooden Accessory industry for Jute Mills.
- (vii) Pharmaceutical industry and cosmetics including tooth powder industry.
- (viii) Coir industry (including rubberised coir products).

(3) *Form of application.*—The prescribed form of application for licence for import of raw materials, components and spare parts, to be used by small scale units, is Form 'B' as given in this book. Actual users applying for Iron and Steel items and ferro-alloys should also use form "B". This is an application-cum-recommendation form having three parts. Parts I & II are to be filled in by the applicant, Part III will contain the recommendation of the sponsoring authority, and it will be filled in by the sponsoring authority in cases where applications for import licences are required to be made through such authorities.

(4) Applications for licences should be submitted in the prescribed form. Only one copy of the application should be submitted, except that, in cases where an application is required to be made through the sponsoring authority, it should be sent in duplicate. The applicants should give, in their import applications, full details of the goods applied for, their I.T.C. classification, the value/quantity in respect of each item and the end use for which the goods are required. The application should be accompanied by the following :—

located irrespective of the fact whether the licensing in respect of any item applied for is centralised with any particular licensing authority. The licences for import from rupee payment area to the small scale unit will also be issued by the regional licensing authority concerned. However, in the case of powerlooms in the small scale sector, the licensing authority will be the Joint Chief Controller of Imports and Exports, Bombay.

(2) *Sponsoring authorities.*—The sponsoring authority in the case of small scale industrial units is the respective State Director of Industries, except that in the case of the following industries in the small scale sector, the sponsoring authorities will be as indicated against each :—

Sponsoring Authority

Textile Commissioner, Bombay.

State Director of Handlooms.

State Director of Fisheries.

Executive Director (Department of Food and Nutrition Board) Ministry of Agricultural and Irrigation, New Delhi.

Agricultural Marketing Adviser to the Government of India, Faridabad.

Chairman, Coffee Board, Bangalore.

Jute Commissioner, Calcutta.

State Drugs Control authorities, as given in Appendix 18 to this book.

Chairman, Coir Board, Ernakulam.

(i) Treasury challan/receipt of Rs. 50 towards application fees, irrespective of the value of goods applied for.

(ii) Required number of copies of the list of items sought to be imported as indicated in sub-paragraph 70(2) (b). The existing units applying direct to the licensing authorities should send one extra copy of the list of goods sought to be imported, which will be forwarded by the licensing authority to the sponsoring authority while sending intimation about the grant of the licence.

(iii) Any other documents/information considered necessary or required in terms of the provisions of this book; or the relevant Import Trade Control Policy Book; or any Public Notice/Trade notice, issued in this regard.

(5) *Consolidated applications.*—An actual user in the small scale sector should make a consolidated application covering the requirements of the unit in

respect of raw materials and components, required for the particular end-product (including related end-products) to which the application pertains, but excluding iron and steel items and ferro-alloys. In the case of IDA industries the consolidated application should also include iron and steel items and ferro-alloys. Separate applications should be made for spare parts including spare parts of machine tools. The applicants should make applications after careful consideration so that the necessity for applying for a change in the description of items or introducing any new items at a later stage does not arise. Unless there are special reasons, the request for an amendment or addition to the list or description of items or value thereof, will not be entertained.

Note.—Where an actual user has to import goods through different agents by obtaining letters of authority issued in favour of such agents, the application for licences should be accompanied by separate lists of goods to be imported through each agent. In such cases an actual user can also make separate applications for licences in respect of goods to be imported by him through different agents.

S.S.I. Units (existing units)

(6) The existing units in the small scale sector, whether engaged in select industries or other industries should make their import applications separately for (i) raw materials and components, and (ii) spare parts. The applications should be made on annual basis to the regional licensing authorities concerned direct and not through the sponsoring authorities.

(7) The application for raw materials and components should be accompanied by a statement of consumption etc. in the prescribed proforma given in appendix 14 to this book, indicating consumption of imported raw materials and components during the previous year and other documents or information as may be necessary under the relevant import policy given in Red Book (Vol. I). The statement of consumption etc. to be furnished should be certified by a Chartered Accountant or Cost Accountant in practice or State Director of Industries/sponsoring authority concerned. It will be open to the licensing authority to ask for the verification and confirmation of the information furnished in the statement of consumption etc., by the sponsoring authority concerned in cases where such verification of the sponsoring authority is considered necessary and the statement is not already certified by the said authority.

(8) Application for import of spare parts should be accompanied by particulars of machinery installed or used as laid down in para 74 above. No list of spare parts need be furnished with the application. The licence will be valid for import of spare parts in the manner as laid down in the relevant import policy (Red Book Vol. I).

(9) It may be clarified that :—

(a) All SSI units (existing units) have to apply separately for (i) raw material/components and (ii) spare parts on an annual basis, direct to the licensing authority concerned.

(b) Application for raw material and components in all these cases should be supported by a statement of consumption etc. as laid down.

(c) Units engaged in select industries have not to make a separate application for supplementary licence. In their case, the licensing authority will consider their claim for "Automatic" and "Supplementary" licence in the same application.

(d) Applications should be made within the last date prescribed and in the manner laid down in the relevant import policy (Red Book-Vol. I).

Processing of applications and basis of licensing

80. (1) The licensing authorities will consider the applications having regard to the following factors :—

- (i) recommendation of the sponsoring authority, wherever necessary;
- (ii) recommendation of the Development Commissioner, Small Scale Industries, whenever necessary;
- (iii) availability of foreign exchange or other monetary ceilings;
- (iv) the stocks held and expected arrivals against the licences in hand on the date of application of the licence;
- (v) the quantity of goods or its substitutes likely to be made available through indigenous sources or other commercial channels;
- (vi) past imports/past consumption of the item in question by the applicant;
- (vii) the installed capacity, actual production during the previous period, and estimated production;
- (viii) any fall in production on account of circumstances such as break-down of machinery, labour relations, want of funds, etc.;
- (ix) policy in respect of the items sought to be imported; and
- (x) value of licences/release orders issued for the previous period(s);
- (xi) other factors considered necessary and relevant in terms of the policy in force.

(2) In cases where import applications are required to be made through the sponsoring authorities, the sponsoring authority will prepare four copies of his recommendation in each case in Part III of the applications. Of these four copies, one copy will be sent by him to the applicant, one will be retained in his own office; and two copies will be sent to the licensing authority along with one copy of the application and the treasury challan furnished by the party. In his recommendation for the licence the sponsoring authority will indicate a separate value for raw materials and components and a separate value for spares. Wherever necessary in terms of the import policy in force, the application will be forwarded by the sponsoring authority through the Development Commissioner, S.S.I., New Delhi.

(3) In respect of applications for import licences, which are required to be made by the applicant through the sponsoring authorities, the sponsoring authorities will make their recommendations for licences subject to the following :—

- (a) The sponsoring authority will not recommend import of any items which is not licensable to actual users in terms of the relevant import policy.
- (b) In the case of items which are permissible in terms of the relevant import policy for a specified end-product only, the sponsoring authority will ensure that licences are recommended for items permissible for the specified end-product.
- (c) If, under the relevant import policy in force, the requirements of an applicant unit in respect of any item(s) are to be met through an approved agency such as the State Trading Corporation or the Minerals and Metals Trading Corporation, the sponsoring authority will indicate separately the value recommended for each of such items. For these items direct import licences will not be issued to the applicant unit concerned, and the licensing authority will consider issuing release advice to enable the applicant unit to obtain its requirements through the approved agency.
- (d) In case where the sponsoring authority recommends any new item to actual users, it will be his responsibility to see that the c.i.f. price quoted by the applicant in his application is correct. For this purpose the sponsoring authority will either ask the applicant to produce the proforma invoices or he will compare the c.i.f. price quoted by the applicant with the price for the same items quoted by other parties.

(4) On receipt of the application, the licensing authority will check up entries in the application form including the I.V.C. number and the treasury challan. If any deficiency is found therein it will be communicated by the licensing authority to the applicant giving him a specific time to make up the deficiencies. In the case of applications having no deficiency, the import licence or the rejection letter, as the case may be, will be issued to applicants by the licensing authorities.

(5) *Intimation to sponsoring authorities.*—(a) In all cases, intimation about the grant or refusal of the licence will be sent by the licensing authority to the sponsoring authority concerned. For this purpose a copy of the licence forwarding letter with a copy of the list of items allowed, or rejection letter, as the case may be, will be endorsed to the sponsoring authority concerned. The forwarding letter will also indicate the end-product.

(b) In cases where applications for licences are made through the sponsoring authorities, the licensing

authority will also send back to the sponsoring authority one copy of the recommendation for licences indicating the action taken thereon.

(c) In the case of I.D.A. industries, a separate intimation of the licence issued will be endorsed to the concerned Iron and Steel Control licensing Division/authority if the licence includes iron and steel items and ferro-alloys.

(d) The licensing authority will send copies of the consumption statement to the sponsoring and the Central Excise authorities concerned.

(6) *Consolidated licences.*—Import licences issued for raw materials, components and spares will be consolidated licences; except that in the following types of cases, separate licences will be issued :—

- (a) Where the goods are sought to be imported by an actual user through different agents on the basis of letters of authority;
- (b) Where the mode of payment is different, such as free foreign exchange, rupees, etc.; and
- (c) Where goods are to be imported through different ports.
- (d) For spare parts separate licences will be issued.

(7) The State Directors of Industries and other sponsoring authorities will send abstracts of their recommendations periodically to the D.C. (S.S.I.) or to the controlling authority concerned, in a form which will be decided by the D.C. (S.S.I.)/controlling authority in consultation with the Directors of Industries/sponsoring authorities. Through such abstracts, the D.C.(S.S.I.)/controlling authority will undertake *ex-post-facto* checks of the recommendations made by the Directors of Industries/sponsoring authorities with a view to see whether they have followed the overall import policy and the general directions given to them.

(8) In the case of Industries sponsored by the State Drugs Controllers, State Directors of Fisheries and State Directors of Handloom in the small scale sector the functions of the D.C.(S.S.I.) will be performed by the Drugs Controller of India, New Delhi; Fisheries Development Adviser to the Government of India, Ministry of Agriculture, New Delhi; and the Textile Commissioner, Bombay, respectively.

81. The specific role of the organisations of the D.C.(S.S.I.), controlling authorities, the sponsoring authorities and the licensing-authorities in the processing of applications and grant of licences to S.S.I. units, is summarised below :—

(a) *Role of the D.C. (S.S.I.) and other controlling authorities :*

- (i) To distribute the ceiling to the States on the basis laid down, in case, it is decided to allocate the ceiling to the sponsoring authorities;
- (ii) To give general directions to the sponsoring authorities as may be required from time to time;

- (iii) To undertake *ex-post-facto* check of the recommendations made by the sponsoring authorities with a view to see whether the sponsoring authorities have followed the overall import policy and the general directions given to them; and
- (iv) To co-ordinate the work of licensing to S.S.I. units between the licensing authorities and the sponsoring authorities

(b) *Role of sponsoring authorities :*

- (i) To recommend applications for grant of licences and forward the same to the licensing authority concerned in accordance with the prescribed procedure in cases where the import applications are required to be routed through the sponsoring authorities.
- (ii) To ensure compliance with the general directions issued by the D.C.(S.S.I.) or controlling authority and the policy laid down in the matter of assessment of requirements;
- (iii) To devise a policy to govern recommendations in cases other than those covered by (ii) above;
- (iv) To obtain clearance from indigenous angle, wherever necessary, before recommending licences;
- (v) To ensure that in respect of items available from the S.T.C., etc., the licences are recommended only after obtaining the necessary clearance from the S.T.C., etc.;
- (vi) To ensure that recommendations do not exceed the ceiling allotted to the sponsoring authority and also to see that a small cushion is kept in reserve for implementing decisions in appeals, in the event of the ceiling being allocated to the sponsoring authorities.
- (vii) To send an abstract of the recommendations made to the D.C. (S.S.I.) or controlling authority.
- (viii) To undertake *ex-post* check of the industrial units to see whether the imported material has been properly utilised and to report cases involving misuse of such material or breach of conditions of licences to the licensing authority and C.C.I. & E.

(c) *Role of licensing authorities :*

- (i) To issue licences: in cases where licences are to be issued on the basis of the recommendations of the sponsoring authorities to examine whether such recommendations are in consonance with the policy/procedure in force;
- (ii) In the case of rejections, to communicate reasons thereof to the applicants;
- (iii) To take penal action against the licensees or importers for violations of Import and Export Control regulations;
- (iv) To watch the utilisation of ceiling, if any

NEW UNITS

(Both in the large and the small scale sectors)

82. (1) **Definition.**—New units are those to which no import licences for raw materials, components and spares have been issued for the licensing periods April 1974—March 1975 and April 1975—March 1976 and which have either gone into production or got the requisite machinery installed. If an unit had obtained an allotment of imported raw materials or components through the S.T.C. or M.M.T.C. or any other recognised agency, or it had obtained import licences for raw materials and components under the import policy for Registered Exporters, for any of the two licensing periods referred to, it will be treated as an existing unit.

(2) If an industrial unit has not received import licence, for raw materials, components and spares, or allotments of imported raw materials/components as an actual user or under the import policy for Registered Exporters, for the licensing period April 1974—March 1975 and April 1975—March 1976, for any valid reasons to the satisfaction of the licensing authority, such unit may be treated as an existing unit by the licensing authority on the recommendation of the sponsoring authority concerned, provided it has been in continuous production. In such cases, the value of licences to be issued will be determined, by the licensing authority on the basis of the recommendation of the sponsoring authority, having regard to the import policy in force and other relevant considerations.

(3) **New Units.**—(a) New units, both in the large and small scale sectors, should make consolidated application for the particular end product (including related and products) to which the application pertains, for import of raw materials, components and spares in the first licensing period on half-yearly basis, through the sponsoring authority concerned. The first application should be made during the first half of the licensing period, and the second application should be made in the later half of the licensing period within the last date prescribed for submission of applications in the relevant import policy (Red Book-Vol-I). Both the applications should be made through the sponsoring authority concerned. In the subsequent licensing periods, such units will have to apply for import of raw materials, components and spares, in the same manner as laid down for existing units under the relevant import policy in force.

(b) In the case of proposed units, i.e., those which have made firm arrangement for machinery and premises and power supply where necessary and which have also reasonable financial arrangement and have placed firm orders for the import/purchase of requisite machinery, backed by letters of credit/necessary/advance payment etc., the sponsoring authority will recommend a licence against the second application only after the unit has gone into production or it has installed the requisite machinery.

(4) In order to discourage new industries for the manufacture of items for which adequate capacity exists in the country, and to ensure rational growth, the sponsoring authority will not recommend a licence

or an application from a new unit for the import of materials required for the manufacture of an end-product, which is banned in terms of the policy in force, from time to time.

(5) Units registered with the D.G.T.D./sponsoring authority concerned under the liberal licensing procedures (whether for a new unit or for an expansion scheme involving investment of less than rupees one crore), should submit separate applications for import licences through the D.G.T.D./sponsoring authority concerned for the production programme for which they have been registered.

(6) The recommendations of the sponsoring authority should indicate the date on which the application was received in the office of the sponsoring authority.

(7) The sponsoring authority will not recommend a licence in favour of a new unit in the small scale sector before such unit has been duly registered with the State Director of Industries.

(8) In the case of proposed units referred to in sub-para 3(b) above, the unit will be required to give a bond supported by a bank guarantee for an amount equal to 50% of the cif value of the import licence/Release Order, undertaking to produce evidence to the licensing authority for proper utilisation of the imported material within a specified time. If the unit is unable to execute such bond with bank guarantee, the licensing authority may issue the import licence/Release Order in the name of the unit with a letter of authority in favour of State Small Industries Development Corporation or any other State agency that may be nominated by the State Government concerned for this purpose. The Corporation will import the materials on the basis of the letter of authority or obtain supplies from the canalising agency as the case may be and the materials, in question, will be delivered to the unit concerned as soon as the machinery has been installed and the unit is ready to go into production.

Registration of small scale industries

83. (1) A scheme for the registration of small scale industries was introduced in the year 1960. Under the scheme, all the small scale industries consuming imported raw materials and components, non ferrous metals and steel items, were required to get themselves registered with the respective State Directors of Industries, by the 31st March, 1961.

(2) The registration number allotted to the small scale industrial units under the scheme, is required to be quoted by them in their applications for import licences, or for allotment of non-ferrous metals, steel and other materials. In the absence of the registration number, the application is liable to be summarily rejected.

(3) The State Directors of Industries should send to the regional licensing authority concerned, a copy of the registration certificate issued to a small scale unit. Also, intimations in regard to the cancellation of S.S.I registration numbers, or of any amendments

therein, should simultaneously be intimated by the State Directors of Industries to the licensing authorities

(4) If at the time of registration, the unit has no installed machinery, or is not in production, the registration certificate will bear an endorsement "Not in production". The endorsement will be deleted by the registering authority on production of evidence to show that the unit has gone into production.

(5) Units transferred from the list of D.G.T.D. units to the small scale sector should get themselves registered with the respective State Directors of Industries.

6. It will be open to the licensing authority not to accept the existing registration certificates in cases where it is considered necessary that the unit should obtain a fresh registration from the State Director of Industries.

Flexibility allowed to actual users

84. (1) With a view to providing flexibility to the industry in the use of foreign exchange released to it, the holders of actual user licences for raw materials/components/spare parts, may, in their discretion, utilise their licences in the manner indicated below, without obtaining any specific endorsement to this effect from the licensing authorities :—

(a) The licensee may import any item(s) covered by his licence, without any limit of quantity or value, provided the total import does not exceed the overall face value of the licence. However, if in respect of any item(s) covered by his licence, a face value restriction, or value limit, or quantity limit, has been indicated in the licence or made applicable, the licensee can import such item(s) more in value or quantity, as the case may be, not exceeding 10 per cent of the specified value limit, or quantity limit, or face value restriction, provided the total does not exceed the overall face value of the licence. This facility will also be available in the case of licences issued for a single item which has both quantity and value as limiting factors, provided the import does not exceed the overall value of the licence.

(b) The licensee may import permissible spare parts, small tools and precision and measuring tools, including spare parts of machine tools, against his licence for raw materials/components, to the extent of 10 per cent of the face value of the licence within the overall value of the licence. For this purpose, permissible spare parts/small tools precision and measuring tools, have been defined as under :

(i) The permissible spare parts are those which are required for the plant, machinery and equipment, installed or used in the licence holder's factory including spare parts of ancillary equipments, control and laboratory instru-

- ments and safety appliances, but spare parts which are banned in terms of the relevant import policy, for actual users, will not be allowed to be imported;
- (ii) The permissible small tools are those which are classified under Sl. No. 20 of Part II of the ITC Schedule and are required for use in the licence holder's factory for which the actual user licence, in question, has been issued. Import of items specified in Appendix 15 to the relevant Import Trade Control Policy (Red Book—Vol. I) will not be allowed. In respect of items allowed to actual users on a restricted basis, import will be permitted up to the percentage restrictions/value limit indicated against the item concerned in Appendix 74 to the relevant Import Trade Control Policy (Red Book—Vol. I).
 - (iii) The permissible precision and measuring tools are those which are classified under Sl. No. 21 of Part II of the I.T.C. Schedule and are permissible to actual users in terms of the relevant Import Trade Control Policy (Red Book—Vol. I) and which are required for use in the licence holder's factory for which the actual user licence, in question, has been issued. In respect of items allowed to actual users on a restricted basis, import will be permitted up to the percentage restriction/value limit indicated against the item concerned in Appendix 74 to the relevant Import Trade Control Policy (Red Book—Vol. I).
 - (iv) The permissible spare parts of machine tools are those which are required for the machine tools installed or used in the licence holder's factory.
- (c) Within the 10 per cent of the total value indicated in (b) above, the licensee may utilise up to 5 per cent of the total value of the licence, for the import of even the spares which are banned under the relevant Import Trade Control Policy (Red Book—Vol. I), provided these are required by the licensee for the plant, machinery and equipment, installed or used in his factory including spare parts of ancillary equipments, control and laboratory instruments and safety appliances and the import of a single item does not exceed Rs. 50,000/- in value.
 - (d) The licensee may import processing aids and chemicals for research and laboratory tests against his licence for raw materials/components to the extent of 5 per cent of the face value of the licence or Rs. 5,000/- whichever is less, within the overall value of the licence provided the import of a single item does not exceed Rs. 250/- in value.
- (2) The provisions of sub para (1) of this para, will not apply to licences issued for import of machinery/machine tools. These provisions will apply to the import licences issued on or after 1-4-1975. For the earlier licences, the provisions made in paragraph 84 of the relevant Import Trade Control Handbook of Rules and Procedure, as amended, will be applicable.
 - (3) For the purpose of application of the provisions of sub-para (1) of this para, the following points are clarified :—
 - (i) These provisions will also apply to import licences issued to actual users under the import policy for Registered Exporters. In their case, the value limit for import of spare parts will be twice. The limits indicated in sub-para (1) above within the overall value of the licence.
 - (ii) These provisions will also be applicable to licences for import of newsprint and art paper issued to actual users.
 - (iii) These provisions will also apply to licences issued to the State Trading Corporation or other similar agencies, for the import of raw materials/components, to meet the requirements of an actual user, for which a letter of authority has been issued to the concerned actual user.
 - (iv) Where a licence holder imports goods against a licence under these provisions in more than one consignment/shipment, he shall declare before the customs authorities at the time of clearance of the second and subsequent consignment that he has not exceeded the overall value limit of Rs. 50,000/- fixed for import of individual item of restricted spare parts in terms of sub-para 1(c) of this paragraph, and
 - (v) The relevant policy for the purpose of determining whether an item is permissible or not, for availing of these provisions, will be the policy in force at the time of shipment. This restriction will not, however, apply in cases where the order on the foreign supplier was placed and irrevocable letter of credit opened before the change in policy, provided shipment takes place within 90 days of the date of change in policy.
 - (4) The provisions of this paragraph will also be applicable to licence issued to actual users for Iron and Steel items and ferro-alloys.
 - (5) The provisions of this paragraph will not be applicable to import licences issued under the National Defence Remittance scheme.
- Conversion of actual user licences for raw materials, spares and non-ferrous metals for importing steel and vice versa**
85. (1) With a view to providing greater flexibility to actual users (scheduled and non-scheduled industries including small scale) in the utilisation of foreign

exchange, the holders of actual users licences for raw materials, components, spares, non-ferrous metals and steel issued against free foreign exchange (General Currency Area) or for import from Rupee Payment Area, may, in their discretion, utilise their licences in the manner indicated below :—

- (i) The licensee may import steel against his import licence for raw materials, components, spares and non-ferrous metals, within the face value of the licence, provided that the item to be imported is that for which the licensee holds a valid actual user import licence at the time of shipment of the goods subject to the following further conditions :—

- (a) The item to be imported is not banned or canalised whether partially or fully in terms of the import policy in force at the time of shipment;
- (b) The item to be imported is not subject to any value or quantitative restrictions, in terms of the import policy in force at the time of shipment; and
- (c) The import of stainless steel in any form including sheets/plates/strips/circles, of any specifications and the import of items licensable under the import policy in force subject to production of non-availability certificates from indigenous producers, whether for the whole or part requirements, will not be permitted under this facility.

- (ii) The licensee may import any item of raw materials, components, spares and non-ferrous metals against his licence for steel, within the face value of the licence, provided that the item to be imported is that for which the licensee holds a valid actual user import licence at the time of shipment of the goods subject to the following further conditions :—

- (a) The item to be imported is not banned or canalised whether partially or fully in terms of the import policy in force at the time of shipment;
- (b) The item to be imported is not subject to any value or quantitative restriction, in terms of the import policy in force at the time of shipment; and
- (c) The import of milk powder, man-made fibre and yarn (cellulose and non-cellulose), polyethylene, P.V.C. resins, cellulose acetate butyrate moulding powder and Plasticisers, will not be permitted under this facility.

(2) Import licences issued to actual users against free foreign exchange (General Currency Area) or for Rupee Payment Area, for the import of raw materials, spares, components, non-ferrous metals and steel will automatically be valid for utilisation in the manner indicated in sub para (1) of this paragraph. It will not be necessary for the licensee to obtain a specific endorsement from the licensing authority for this

purpose. At the time of clearance, the licensee will be required to produce to the Customs authorities the necessary evidence to enable them to allow import of items permissible in terms of sub-para (1) of this paragraph.

(3) The import licences for steel items issued by the Import Trade Control authorities will also be treated as licences for steel items for the purpose of the provisions made in this paragraph.

(4) Import licences issued to actual users under the import policy for Registered Exporters can also be utilised in terms of the provisions of this paragraph. It is, however, clarified that the term "valid actual user import licence" used in sub-para 1(i) and 1(ii) of this paragraph does not include a licence, issued under the import policy for Registered Exporters, and licences issued under National Defence Remittances scheme.

(5) The provisions made in this paragraph will not apply to import licences for 'emergency' spares issued to actual users; and also to import licences for spare parts issued to the actual users engaged in the select industries.

(6) The provisions made in this paragraph will also not apply to the licences issued under the National Defence Remittance scheme.

(7) These provisions will apply to import licences issued on or after 1-4-1970. For earlier licences, the provisions made in paragraph 85 of the Import Trade Control Hand Book Rules and Procedure 1969, as amended, will be applicable.

(8) The restrictions contained in sub-para 85(1) (i) (a) and (b) and 85(1) (ii) (a) (b) will not apply in cases where the order on the foreign supplier was placed and irrevocable letter of credit opened before the change in policy, provided shipment takes place within 90 days of the date of change in policy.

Limiting Factor

86. (1) Import licences for raw materials/components/spares issued to actual users, including those issued under the import policy for Registered Exporters, will have 'value' as limiting factor. But this will be subject to the provisions made in paragraph 84 above.

(2) Import licences issued to actual users for import of capital goods, machinery and equipment will be subject to both quantity and value as limiting factor. The concessions regarding flexibility, as provided in paragraphs 84 and 85 above, will not be available for such licences; and it will not be open to the licensee to import any item in excess of the quantity limit or value limit specified for that item in the licence, even if the excess import is within the overall value of the licence. If a licensee requires to import any item covered by his licence for a quantity exceeding the limit indicated for that item in the licence, within the overall face value of the licence, he may approach the licensing authority concerned through the sponsoring authority for suitable amendment in the quantity limit already indicated in the licence. In such cases the licensee should also give reasons in support of his request, which will be considered by the licensing authority on merits.

Imports through Public Sector Agencies and eligible Export Houses

87.(1) It will be open to an actual user not to apply for a direct import licence in his favour for import of raw materials/components, but to approach the State Trading Corporation, the Minerals and Metals Trading Corporation, State Small Industries Corporation or any other similar public sector agency, or a recognised eligible export house holding a certificate of eligibility issued by the Chief Controller of Imports and Exports, for importing the goods provided that such an agency is willing to undertake the import. The import requirements of such actual users will be pooled and imports will be arranged in bulk through the agency concerned.

(2) In cases covered by sub-para (1), the application for the grant of an import licence should be made by the agency concerned, to the regional licensing authority concerned. Such application should be made in the form prescribed for established importers (i.e. Form 'A'), as given in Appendix 3. The words "Established Importers" at the top of the application form should, however, be struck off and replaced by the words "Importing Agency" in red ink, and clause 7 of the form should also be deleted. The agency concerned can make a consolidated application, covering the requirements of more than one unit. The application should be accompanied by—

- (i) Application in Form 'B' (given in Appendix 3), duly filled in and signed by each of the actual user concerned without treasury challans towards application fee;
- (ii) A statement indicating particulars of the unit concerned, namely, name and address of the unit, the end product, the value applied for in each case, and the aggregate value.
- (iii) Treasury challan showing the payment of application fee. The amount of application fee to be paid should be calculated on the aggregate value applied for in accordance with the prescribed scale of fees, and not in relation to the requirements of each actual user separately.
- (iv) Supporting documents laid down for actual user applications in terms of the relevant import policy.
- (v) Five copies of the consolidated list of goods sought to be imported by the agency on behalf of the actual users concerned. In the list of items, separate value limit should be indicated against each item the import of which is canalised through a public sector agency, within the overall value applied for. For such items release orders will be issued on the canalising agency.
- (vi) Any other document that may be considered necessary.

(3) Consolidated import licence(s) release order(s) will be issued in such cases to the importing agency concerned according to available sources of financing.

The value of the consolidated licence/release order to be issued will be equal to the aggregate value of all the licences/release orders, which could have been issued to the individual actual users, had they applied separately. Such licences/release orders will be subject to the condition, *inter-alia*, that the imported goods shall be distributed by the licensee to the actual users whose particulars are shown in the relevant import application(s), for use in their respective factories.

(4) The provisions made in this paragraph will not apply to new units and to the applications made by actual users under the import policy for Registered Exporters.

(5) Actual Users on whose behalf import licences have been issued to the importing agencies under these provisions can apply for their subsequent licences as admissible under the policy in force, whether direct or through an import agency. In such cases the eligibility of the actual user to the subsequent licences will be determined by the licensing authority in terms of the relevant import policy without having regard to the extent to which the previous licence has been utilised by the importing agency.

(6) These agencies can also import goods on behalf of actual users, against the licences for raw materials, components, and spares issued to actual users. It will not be necessary for the licence holders to obtain a letter of authority for this purpose in favour of the importing agency, as provided in Chapter XIII of this book.

(7) Actual users holding valid import licences for raw materials can also obtain supplies 'off-the-shelf' from the STC/MMTC against such licences in accordance with the procedure laid down in this regard under the relevant import policy. To the extent the goods are supplied by these agencies, the licences, in question, will not be valid for direct import by the licence holders.

Co-operative Societies Engaged in Industrial Production

88. (1) For the purpose of these provisions, a co-operative society will mean any co-operative society registered under the Co-operative Societies Act, applicable to the State where the society is situated and includes co-operative societies undertaking production or service activities.

(2) A co-operative society may either be engaged in providing 'services' to its members who undertake production on their own account; or it may itself be engaged in industrial production.

(3) Co-operative societies undertaking services on behalf of their members who are engaged in production on their own account.—(a) A co-operative society can apply for import of raw materials, components and spares on behalf of its member units engaged in industrial production in their respective factories/workshops. The procedure for submission of application will be the same as applicable to other actual users.

(b) The import application should be supported by a statement indicating the particulars of each member unit of the society (including the SSI Registration

Number of the member unit) and the import requirements of each unit in respect of a particular end-product. It should also be supported by an undertaking on a plain paper from each member unit or the society to the effect that the imported goods supplied to it shall be used by it in its factory/workshop; and no portion thereof shall be sold to or permitted to be utilised by any other party.

(c) In cases where import applications are required to be made through the sponsoring authorities, the State Registrar of Co-operative Societies will act as the sponsoring authority, if he is in-charge of the development of the society; and the applications in such cases can be made through him. This will however, be subject to the overall procedure formulated by the State Government concerned for sponsoring application. Alternatively, such, applications can also be sponsored by the State Director of Industries.

(d) The application should be supported by a treasury challan towards application fee. The amount of application fee to be paid should be calculated on the total value applied for, in accordance with the prescribed scale of fees, and not in relation to the requirements of each member unit separately.

(e) The applicant society will be required to furnish valid I.V.C. Registration/Exemption number in its own name. But import licences will be issued for one year in anticipation of the production of such number. It will not be necessary for the society to furnish I.V.C. number pertaining to its individual members.

(f) While considering the application, the licensing authority will calculate the entitlement of each member unit of the society separately; and the value of the licence, to be issued to the society will be equal to the aggregate value of the licence, which could have been issued to the individual member units, had they applied separately.

(g) Import licences issued in such cases will be subject to the condition, *inter-alia*, that the goods imported under the licence shall be distributed by the licensee society to its members, whose names and addresses have been shown in the relevant import application, and such goods shall be used in the factories of the members concerned, for the purpose for which import has been allowed, and no portion thereof shall be sold to or permitted to be utilised by any other party. The member unit shall maintain proper account of consumption of imported materials in the prescribed manner.

(4) *Societies engaged in production.*—(a) A co-operative society may undertake production in its own workshop, or in the workshop of its individual members but on its own account, or by providing only the common facility workshop to be used by its members for certain jobs, while the remaining activities are carried out by the members in their own workshops on their account.

(b) In all these cases, a co-operative society can apply for an import licence for raw material, components and spares in its own name; and the provisions made in sub paragraph (3) above will apply in these cases with suitable changes in the condition to be im-

posed on the licence regarding utilisation of the imported material. In such cases, the licence will be subject to the condition that the imported materials shall be used by the licensee society in its own factory/workshop or distributed for use in the factories/workshops of its members indicated in the relevant import application, for the purpose for which the import has been allowed and no portion thereof shall be sold to or permitted to be utilised by any other party. The member unit shall maintain proper account of consumption of the imported material in the prescribed manner.

(c) In cases where a co-operative society undertakes production on its own account whether in its own workshop or in the workshops of its individual members it will not be necessary for the applicant society to produce SSI Registration Numbers in respect of its individual members.

(d) While considering the application, the licensing authority will calculate the entitlement of the applicant society in respect of production/common services undertaken by the society on its own account only.

(5) *Grant of Import licences/Release Orders to Associations of SSI Units :*

An Association of Actual Users in the small scale sector, may also make a consolidated application to the licensing authority for import of raw materials and components on behalf of its members units in the same manner as indicated in sub-para (3) above provided :—

- (a) all the member units of the Association are situated under the jurisdiction of the same sponsoring authority and are registered as SSI Units with the State Director of Industries;
- (b) the Association is duly recognised by the sponsoring authority concerned; and
- (c) all the member units of Association have their own valid IVC Registration/Exemption No.

Conditions of actual user licences.

89. (1) Import licences issued to actual users, including those issued under the import policy for registered exporters, will be subject to the following condition *inter-alia* :—

"The licence is issued subject to the condition that all items of goods imported under it, shall be used only in the licence holder's factory at the address shown in the application against which the licence is issued; and for the purpose for which the licence is issued; or may be processed in the factory of another manufacturing unit, but no portion thereof shall be sold to any other party or utilized or permitted to be used in any other manner. The goods so processed in another factory shall, however, be utilised in the manufacturing processes undertaken by the licensee. The licensee shall maintain a proper account of consumption and utilization of the goods imported against the licence in the prescribed manner and produce such account to the licensing authority, sponsoring authority or any other authority concerned, within such time as may be specified by such authority."

(2) The above condition will be in addition to any other conditions imposed or deemed to have been imposed, on a licence under Clause 5 of the Imports (Control) Order, 1955, dated the 7th December, 1955, as amended.

(3) Actual Users to whom the licensee delivers the imported material for such intermediate processing is not allowed to include the value/quantity of such imported materials in his statement of consumption of imported materials while claiming entitlement for raw materials and components as an actual user under the import policy for Actual Users.

Grant of emergency licences for spares

90. (1) Applications for the grant of licences for import of emergency spare parts *i.e.* spare parts required on an immediate basis, to overcome an emergency breakdown of production machinery including the breakdown which is unavoidable for technical reasons in the course of a month's period, will also be considered from actual users of all categories as and when received. This facility will also apply to applications for emergency spare parts for machine tools. Such applications will be dealt with in terms of the relevant import policy in force.

(2) Applications for the import of emergency spare parts should be made to the licensing authorities concerned, except that :—

- (a) Units engaged in the industries referred to in sub-para 76(6) above should apply for import of emergency spare parts to the regional licensing authority in whose jurisdiction they are situated; and
- (b) Units borne on the books of the DGTD can also apply to the regional licensing authority in whose jurisdiction the factory of the unit is situated. Such units should, therefore, with each application for import of emergency spares, furnish a declaration indicating the C.I.F. value of such licences already obtained by the unit for the same licensing period and the value of applications for such licences for the same licensing period pending with the licensing authorities.

(3) Import application for emergency spares should be made in the simplified application form prescribed for this purpose (form 'L'), appearing in Appendix—3.

(4) Application for the import of emergency spares need not be routed through the sponsoring authorities for its recommendation or indigenous clearance.

(5) The applicants should indicate in their import applications, the country from which the original equipment was imported as also the country from which the spare parts are sought to be imported. The application should be boldly stamped on top in red ink as "Application for Emergency Spares". The envelope should also be similarly stamped. There is no last date for submission of such applications during a licensing period.

(6) The maximum value limit upto which import licences under this provision may be issued to a unit in the course of a licensing period, will be as under :—

- (a) Rs. 40,000/- in the case of large scale units borne on the books of the D.G.T.D., Textile Commissioner or Jute Commissioner and other Non-SSI Units having a capital investment of more than Rs. 10 lakhs.
- (b) Rs. 20,000/- in the case of SSI units.

In each application, the applicant should indicate the value of emergency licences already obtained by him during the same licensing period.

(7) It will be necessary for an applicant to furnish the list of spares sought to be imported indicating the c.i.f. value of each item.

(8) The provisions of this paragraph will also apply to the import of emergency spares, required by publishers of books, newspapers and periodicals, Quality Printers as defined in Appendix 9 of Red Book (Vol-I) and film studios.

Issue of import licences to actual users for back periods.

91. (1) Where an application for an import licence from an actual user is not disposed of during the licensing period concerned, on account of any delay or laches on the part of the applicant, no licence against such application will be issued after the expiry of the licensing period or after the close of the monetary ceiling. However, if the delay in the disposal of the application is on the part of the licensing authority or sponsoring authority or any other Government Department, the application will be considered on merits in suitable cases.

(2) While dealing with an import application for a back period in appeal or otherwise, the authorities concerned will consider such an application having regard to the general principles laid down that is, availability of monetary ceiling, availability of goods applied for from indigenous sources or other commercial channels, essentiality of the goods applied for, stocks held by the applicant and expected arrivals against licences in hand; past imports and consumption of item(s) in question actual production during the preceding period, estimated production, the import policy in force and other factors considered relevant and necessary. A licence against a back period application, if issued, will be for such of the admissible items as are licensable to actual users in terms of the policy in force at the time of the issue of the licence.

(3) In cases where the applications for licences are not disposed of during the licensing period concerned or before the close of the monetary ceiling on account of delay on the part of the sponsoring authority or the licensing authority or any other Government Department, and import licences to the category of importers to which the applicant belongs were issued in the relevant licensing period subject to any fixed foreign exchange ceiling, the value of a licence issued in such a case will be treated as first charge on the monetary

ceiling to be allocated for the next licensing period; and the necessary intimation in this regard will be given to the sponsoring authority.

Misuse of A.U. licences

92. (1) it has been noticed that in some cases, the actual users divert to other channels/uses the raw materials or components, etc. licensed to them for use in their factories. Attention of the actual users is drawn to the condition applicable to A.U. licences, to the effect that the goods shall be utilised in the licence holder's factory only for the purpose for which they are imported and no portion thereof shall be sold to or permitted to be utilised by any other party. Steps are taken to ensure that this condition is strictly complied with. If any licensee infringes the aforesaid condition, no further assistance will be given to him for the import of goods in the category of actual users, without prejudice to any other action which may be taken against him under the Imports and Exports (Control) Act, 1947 and the Imports (Control) Order, 1955, dated the 7th December, 1955 as amended.

(2) Similarly, where any imported goods are allotted to an actual user through the State Trading Corporation of India or any other recognised agency for use in the actual user's factory, it will not be open to the actual user concerned to divert such goods to other channels/uses or to allow any other party to utilise the said goods. If any actual user is found to have misused the goods so allotted to him no further assistance will be given to him or any allotment made to him in future, without prejudice to any other action which may be taken against him under the Imports and Exports (Control) Act, 1947 and the Order made thereunder.

(3) *Licensees to maintain account of consumption.*—(a) The actual user should maintain a proper account of the consumption and utilisation of the imported goods in the prescribed proforma as given in Appendix 19 to this Book. In the event of his failure to maintain proper account in this manner in respect of any goods imported against actual user licences or allotted to the actual users from the State Trading Corporation of India etc., the applications for issue of further licences or allotments will be liable to rejection without prejudice to any other action that may be taken against him. It will be the responsibility of the actual user to satisfy the sponsoring as well as licensing authorities that he had maintained a proper account of consumption and utilisation of the imported materials and has fully complied with the condition subject to which the imports or allotments of imported goods were allowed to him. The licensee shall be required to produce the account of consumption and utilisation of imported materials maintained by him, to the licensing authority or sponsoring authority or any other concerned authority, when called upon to do so and within such time as may be specified by such authority. The account of consumption and utilisation of imported materials for the year 1972-73 and onwards, shall be maintained and preserved by the licensee for a period of 8 years commencing from

the expiry of the year to which the account of consumption and utilisation pertains. The accounts of the earlier years shall also be maintained and preserved for a period of 8 years commencing from the expiry of the year to which the account pertains or for 2 years from 1-4-1972, whichever is later.

(b) In the event of closure of a factory it shall be incumbent upon the owner to preserve the account of consumption and utilisation of imported goods for a period of eight years. Thereafter, if he does not require to preserve such an account for a longer period, he may part with it with the prior written permission of the licensing authority concerned.

(c) While considering requests for transfer of an industrial unit having imported machinery, the sponsoring authority will satisfy itself that the account of consumption and utilisation of imported goods maintained by the original owner of the unit will either be preserved by him as provided in sub-para (b) above or handed over to the new owner for verification and check by the licensing authority, sponsoring authority, or any other concerned authority when called upon to do so and within such time as may be specified by such authority.

(4) *Check by sponsoring authorities.*—The Directors of Industries and other sponsoring authorities will check up whether the imported material has been properly utilised by the licensee. In cases involving contravention of conditions of licences or allotments of imported goods, the reports will be sent by the Directors of Industries and other sponsoring authorities to the licensing authorities concerned to enable the latter to initiate action against the parties concerned. For this purpose, it is essential for all actual users wishing to take advantage of the import of goods as raw materials components, spare parts, accessories, or machineries, etc., to maintain accurate and up-to-date records of stocks, procurement and consumption of articles used by them in their industrial undertakings, as provided in sub-para, (3) above.

Change in the name, constitution or ownership of actual users' business

93. (1) No approval of the Import Trade Control authorities is necessary for affecting a change in the name, constitution or ownership of an actual user's business, except in the types of cases mentioned in this paragraph.

(2) *Change of name.*—(a) Where an import licence has been issued to an actual user, and before the importation of goods against the said licence, there is a change in the name of the licensee, actual user's manufacturing business, without any change in the ownership of factory for which the said licence was issued, the licence holder should apply to the licensing authority which had issued the licence in question, for necessary amendment on the licence. Such requests should be made through the sponsoring authority concerned.

(b) If there is no unutilised import licence in hand at the time of change, the actual user should, in his first application for a licence made after the date of

change, expressly indicate that there has been a change in name without any change in the ownership or constitution of his manufacturing business. It, in terms of the import policy in force, such application is required to be made direct to the licensing authority, and not through the sponsoring authority concerned, the actual user should produce with his application a certificate of the sponsoring authority to the effect that the registration with the sponsoring authority in the original name has been amended accordingly.

(3) *Change in ownership or constitution.*—Where there is a change in the ownership constitution (including a change by division) of an actual user's manufacturing business, with or without a change in the name of the business, the following provisions will apply :—

- (i) If the original owner has imported machinery or any other imported goods in the industrial unit concerned, he should obtain the prior permission of the sponsoring authority concerned for transfer of the manufacturing business in favour of the new owner or the reconstituted concern, as the case may be. The intimation about the change should also be sent by the original owner to the licensing authority concerned. In cases where there is a change in the constitution of a business by admission or retirement or death of a partner and the reconstituted firm take over the business as a whole without any change in its name or address, the prior permission of the sponsoring authority will not be necessary and the original firm should only send an intimation about the change to the licensing and the sponsoring authorities concerned.
- (ii) In the event of a change referred to in (i) above, the original owner should transfer in favour of the new owner or the reconstituted concern, as the case may be, all the machinery and other materials imported for use in the industrial unit sought to be transferred.
- (iii) Where an import licence had been issued to the original owner, and before the importation of the goods against the said licence the change in ownership or constitution has taken place, the original and the new owner of the manufacturing business should make a joint application to the licensing authority which had issued the licence for permission to transfer the licence in favour of the new owner or the reconstituted concern, as the case may be, in terms of sub-clause 5(3)(i) of the Imports (Control) Order, 1955, dated the 7th December, 1955, as amended. The application should be made through the Sponsoring authority of the new owner, and it should be expressly stated in the application whether the approval of the Sponsoring authority of the original owner has been obtained in regard to the transfer of manufacturing business as stated in sub-clause (i) above.

- (iv) If there is no unutilised licence in hand at the time of change, the new owner or the reconstituted concern, as the case may be, should in the first application for a licence made after the date of change, expressly indicate that there has been a change in the ownership or constitution of the manufacturing business. If in terms of the import policy in force, such application is required to be made direct to the licensing authority, and not through the sponsoring authority concerned, an evidence should be produced with the application to the effect that prior approval of the sponsoring authority or the original owner has been obtained, wherever necessary in regard to the change in ownership or constitution, and the new owner has been duly registered with the sponsoring authority concerned.

(4) Where an actual user transfers only a part of the factory, or imported machinery, or where any other imported materials are sold by an actual user, without selling his manufacturing business or factory for which the goods, in question were imported; or where an actual user sells his factory/manufacturing business, but the purchaser is not acquiring the imported raw materials, components or spares belonging to the industrial unit concerned and the actual user has to sell such materials to another party such sales will be governed by the procedure laid down in paragraph 94 of this book and clause 10-C of the Imports (Control) Order, 1955, as amended.

(5) The licensing authority will consider applications for transfer of licences under this paragraph on the recommendation of the sponsoring authority, in cases where the transferee is not debarred or suspended from receiving licences under the provisions of the Imports (Control) Order, 1955, dated the 7th December, 1955, as amended. Also, the sponsoring authority will consider requests for transfer of manufacturing business in cases where both the transferor and the transferee are not debarred or suspended from receiving licences under the provisions of the Imports (Control) Order, 1955 dated the 7th December 1955, as amended.

(6) The provisions regarding grant of licences to established importers-cum-manufacturers as laid down in Chapter XVII of this book will also apply while considering applications for transfer of licences under this paragraph. The applicants should, therefore furnish the necessary information in this regard when they apply for transfer of licences.

(7) The provisions made in sub-para., (1) to (5) of this paragraph will also apply to import licences issued to actual users under the import policy for registered exporters.

Procedure for Transfer of Imported Goods by Actual Users

94. (1) Where, after importing goods against an actual user's licence, the actual user licensee finds that, for any reasons, he is not in a position to utilise the

goods in accordance with the conditions of the licence under which the goods were imported, he should find another actual user and transfer the goods to the latter with the permission of the licensing authority who had issued the licence. The buyer of the goods in such cases should be an actual user requiring the goods in question for use in his industrial unit.

(2) If the actual user is not able to find a suitable and willing buyer for the goods, he should approach the State Director of Industries or the sponsoring authority concerned, who may be in a position to suggest a suitable and willing buyer.

(3) The sale price of the goods in question should be settled between the seller and the buyer taking into account the following :—

- (a) C.i.f. value of the imported goods;
- (b) Customs duty paid;
- (c) Landing and clearing charges paid;
- (d) Transportation charges paid from the Customs port to the factory/godown of the seller; and
- (e) Other reasonable incidental charges incurred in relation to the imported goods in question. Such charges should not include expenses like demurrage, fines or penalty paid in respect of the goods.

(4) After settling the price, the buyer should make an application for permission to purchase the goods in question to the licensing authority who had issued the licence, under which the goods were imported. Such application should be made through the sponsoring authority of the buyer actual user. The application should be made in the prescribed form i.e., the form which the applicant had used if he had to apply for an import licence for such goods. No application fee will be required to be paid on such applications. The application should be supported by a letter of consent of the seller to transfer the goods in question on the price settled between the parties. In the consent letter, the break-up of the sale price as indicated in sub-para (3) above should also be given.

(5) The sponsoring authority will forward the application to the licensing authority concerned who will consider the same on merits having regard to the recommendations of the sponsoring authority. If the permission to transfer is granted, it shall be subject to the usual conditions applicable to actual users' licences regarding utilisation of the imported goods. An intimation about the transfer will be given to the licensing authority under whose jurisdiction the buyer is situated and to the sponsoring authority of the seller actual user.

(6) Where any imported material has been allowed to an actual user through the State Trading Corporation or any other recognised agency and the allottee is not in a position to use the goods for the purpose for which the allotment was made, he cannot use the imported goods for a different purpose and in a manner otherwise than as declared by him in his application for such allotment or distribution or in any other documents, submitted by him in support of such application. In such cases, also, the allottee should

find another actual user to use the goods for the purpose for which they were imported. The goods will be transferred to such person in the same manner as indicated in the above sub-para.

(7) *Sale of imported goods to public sector agencies*—(a) If an actual user is not in a position to utilise any imported goods for the purpose for which the import was allowed, he can sell the goods, in question, to the State Trading Corporation, Minerals & Metals Trading Corporation, State Small Industries Corporation or any other similar public sector agency, engaged in distribution of imported materials at a price to be settled between the seller and the buyer. The seller shall give an intimation of the sale to the sponsoring authority concerned and to licensing authority which had issued the licence against which the goods had been imported. No prior permission of the licensing authority will be necessary for such sale.

(b) The provisions of sub-para (a) above will also apply to the sale of imported goods lying with a bank, where the bank had cleared the goods from the Customs as a joint holder of the licence against which the goods were imported, or where the imported goods had been pledged with the bank by the licence holder, and the licence holder is not in a position to take over the goods in question for being utilised for the purpose for which the import had been allowed. In such a case, the bank can sell the imported goods to the STC, MMTC, or any other similar agency in the manner indicated in (a) above, provided the licence holder agrees to the sale.

(8) The agency purchasing the goods under sub-para (7) above shall sell the same to actual users at a reasonable price and within a reasonable time.

(9) Multi-unit enterprises in the public sector have been given the facility of transfer of imported raw materials and components as provided in Chapter-VIII of this book.

(10) Requests from public sector undertakings for sale of imported material which are not required by them will be considered liberally on merits by the CCI&E.

(11) *Loaning of imported raw materials* :—

(a) Actual users having in their stock imported raw materials, components and spare parts, may loan a portion of such goods to another actual user who is in need of the same for meeting his urgent requirements. This arrangement shall be purely on a loan basis and for a specified period within which the goods of the same specification and description shall be returned. Such loan should be given only with the prior written permission of the sponsoring authority of the licensee and only to another actual user within the jurisdiction of the same sponsoring authority.

(b) The sponsoring authority giving such permission as well as the licensee shall immediately inform in writing to the licensing authority concerned.

(c) The actual user parting with the goods on loan and the actual user receiving the same on loan shall abide by the following :—

(i) Both the actual users shall make entries in respect of the goods, in question in the

account maintained by them in the proforma as given in Appendix 19 to this book. Such entries will be made both at the time of loaning the goods and also at the time these are returned by the loanee.

- (ii) Both the actual users shall in their import applications, while indicating the stocks held by them, also indicate the quantity of goods loaned or received as loan, as the case may be, and period for which the goods have been loaned.

(d) Requests for loaning of imported machinery from one actual user to another may also be considered on merits by the licensing authority which had issued the licence against which the machinery was imported, on the recommendation of the sponsoring authorities concerned subject to such conditions as may be laid down.

(e) In the event of any abuse of this facility, both the actual users and any other person responsible for such abuse, shall be liable to action under the import trade control rules, without prejudice to any other action that may be taken against them in this behalf.

(12) *Intimation to licensing authority.*—If an actual user is not in a position to utilise completely the imported raw materials, components or spares within two years from the date of importation, he should inform the licensing authority, explaining the reasons for non-utilisation. Such information should be sent through the sponsoring authority concerned.

(13) The provisions made in this paragraph will also apply to import licences/allotment of imported goods, issued to actual users under the import policy for Registered Exporters.

(14) *Delegation of powers to sponsoring authorities.*—Notwithstanding anything contained in this paragraph, if the buyer and the seller actual users are both situated under the jurisdiction of the same sponsoring authority and the value of the imported material sought to be transferred does not exceed Rs. 10,000/- the permission for transfer may be obtained from the sponsoring authority under the provisions of this paragraph. The Sponsoring authority and the actual users concerned will send an intimation to this effect to the licensing authority concerned.

(15) Cases not covered by this paragraph may be dealt with under Clause 10-C of the Imports (Control) Order, 1955, dated the 7th December 1955, as amended.

95. *Firework industry.*—No application for import of raw materials by the firework industry both in the scheduled and non-scheduled sectors for the manufacture of firework will be entertained by the licensing authorities unless the applicants are in possession of a valid licence under the Explosives Act. The sponsoring authorities should not, therefore, recommend an import licence in favour of fireworks industry, if the applicant is not in possession of a valid licence under Explosive Act. In his recommendation for the licence, the sponsoring authority should indicate that the applicant is in possession of the required licence under the Explosive Act. Where applications for licences are required to be sent by actual users

to the licensing authorities, direct, the applicants should produce, with their import applications, documentary evidence to the effect that they are in possession of a valid licence under the Explosive Act.

Spare parts of mining machinery

96. (1) A.U. applications for import of spare parts of mining machinery should be made to the regional licensing authorities concerned. Such applications should be made on annual basis, in the prescribed form (form 'B').

(2) The applications should be made direct to the licensing authorities concerned and not through any sponsoring authority. The applicant is also not required to obtain any essentiality certificate from the sponsoring authority for the import of spares.

(3) The applications should be accompanied by the following information :—

- (i) The description of machinery for the maintenance of which the spare parts are required.
- (ii) Number of the machinery/equipment in use for which spares are required.
- (iii) Country of origin of machinery/equipment in use.
- (iv) C.i.f. value of machinery/equipment imported prior to 6-6-1966 indicating the year of import.
- (v) C.i.f. value of machinery/equipment imported after 6-6-1966 indicating the year of import.
- (vi) The value of imported machinery/equipment purchased locally indicating whether the same was purchased prior to 6-6-1966 or after 6-6-1966.
- (vii) The value of spares applied for; and
- (viii) The extent to which the spares sought to be imported are not available in the country.

(4) The applications from National Development Mineral Corporation and Orissa Minerals Corporation will be considered by the Joint Chief Controller of Imports and Exports, (CLA), New Delhi and the Joint Chief Controller of Imports and Exports, Calcutta, respectively.

Procedure for allotment of imported goods canalised through public sector agencies

97. (1) In respect of goods the import of which is canalised through a public sector agency for meeting the requirements of actual users, the allotments of imported materials to actual users will be made in the following manner :—

- (i) by release order to be issued on applications made to the licensing authorities concerned, or
- (ii) By release orders to be issued on applications made to the sponsoring authorities concerned, or

- (iii) By direct allotments to be made by the canalising agency concerned.

(2) The manner of allotment in terms of subparagraph (1) above will be indicated in respect of each item in the relevant Import Trade Control policy (Red Book).

(3) *Release orders issued by licensing authorities.*—The procedure to be followed in respect of items for which release orders will be issued by licensing authorities to the actual users concerned will be as indicated below :—

- (a) The actual user should submit his import application in the prescribed form and manner to the licensing authority concerned through the sponsoring authority concerned. Units which are required to make their applications for licences direct to the licensing authorities concerned under the import policy in force should not route their applications through the sponsoring authorities concerned. Applications should be supported by treasury challan showing payment of application fee and other documents as are required in terms of the import policy in force.
- (b) The import application should be a consolidated application covering all the requirements of raw materials and components pertaining to the end-product (including the related end-products) to which the application pertains. In respect of the canalised items applied for in the said application, the applicant should indicate the itemwise value within the overall value applied for, unless the item, in question, is licensable on restricted basis in which case the value limit will be determined by the sponsoring authority/licensing authority in terms of the policy in force.
- (c) Where an application is to be made through the sponsoring authority, the said authority will forward the same to the licensing authority concerned with its recommendation in the normal course. In respect of items licensable to actual users on restricted basis, the sponsoring authority will indicate the value limit against each item within the overall value recommended. The licensing authority will consider the application on merits in terms of the import policy in force. In respect of canalised items, instead of issuing a direct licence to the applicant, the licensing authority will issue release order in favour of the applicant on the canalising agency concerned, in the proforma appearing in Appendix 34.
- (d) Where an application is to be made, direct to the licensing authority concerned, the licensing authority will consider the application on merits in terms of the import policy in force. In respect of canalised items, instead of issuing a direct licence to the applicant, the licensing authority will

issue release order in favour of the applicant on the canalising agency concerned in the proforma appearing in Appendix 34.

- (e) The original release order will be sent to the applicant and a copy thereof will be sent by the licensing authority to the canalising agency. For purposes of verification, the licensing authority will also send confirmatory statements every week to the canalising agencies indicating particulars of the release orders issued during the week. In every case, a copy of the letter with which the release order is sent to the applicant, will be forwarded by the licensing authority to the sponsoring authority concerned.

- (f) The release order will be valid for a specified period during which the allottee will be required to draw supplies from the canalising agency in accordance with the procedure for allotment/distribution prescribed by such agency.

(4) *Release orders issued by sponsoring authorities.*—The procedure to be followed in respect of items for which release orders will be issued by sponsoring authorities to the actual users concerned will be as indicated below :—

- (a) The actual user should submit his application for allotment in respect of canalised items to the sponsoring authority concerned in the prescribed form and manner. The application should not include any non-canalised items. No application fee is required to be paid by the applicant for such applications.
- (b) If the application is in respect of more than one canalised item, the applicant should indicate the value limit in respect of each item within the total value, unless the item in question is licensable on restricted basis to actual users in which case the value limit will be determined by sponsoring authority in terms of the import policy in force.
- (c) The sponsoring authority will issue release order(s) on the canalising agency in favour of the applicant. The original release order will be sent to the applicant by the sponsoring authority, and a copy thereof to the canalising agency concerned. For purposes of verification, the sponsoring authority will send every week confirmatory statements to the canalising agencies indicating particulars of the release orders issued during the week.
- (d) The release order will be issued in the proforma as given in Appendix 34. It will be valid for a specified period during which the allottee will be required to draw supplies from the canalising agency in accordance with the procedure for allotment/distribution prescribed by such agency.

(5) *Direct allotment to be made by canalising agencies.*—The procedure to be followed in respect of items for which allotment will be made direct by cana-

lising agencies to the actual users, will be as indicated below :—

- (a) Actual users will approach the canalising agency concerned direct according to the procedure prescribed by such agency.
- (b) Each actual user should give an undertaking to the canalising agency that he shall use the material allotted to him in his own factory for the purpose for which the allotment is made and no portion thereof will be disposed of or used in any other manner.
- (c) The canalising agency will make the allotments according to the directions/guidelines obtained by it from the sponsoring authorities concerned or in accordance with the policy.
- (d) The canalising agency will send monthly reports of such allotments to the sponsoring authorities concerned, indicating the particulars of allotments made during the month.

(6) In cases covered by the import policy for Registered Exporters, the applications in respect of canalised items should be made with other import items to the licensing authorities concerned in the form and manner prescribed in the import policy for Registered Exporters. In such cases release orders for canalised items will be issued by the licensing authorities. The applicant should indicate the value limit in respect of each canalised item within the overall value applied for, unless a specific value limit has already been indicated in the import policy for Registered Exporters.

(7) If a release order covers more than one item and in respect of any of such items a specific value or quantity limit has been indicated, it will be open to the actual users concerned to obtain supplies from the canalising agency in respect of such item more in value/quantity than the specified limit, but not exceeding 10 per cent thereof within the overall value of the release order. If a release order pertains to a single item indicating both quantity and value limits, it will be open to the actual user to obtain supplies from the canalising agency in respect of such item more in quantity than the specified limit, but not exceeding 10 per cent thereof, within the overall value of the release order.

(8) An actual user receiving imported materials from a canalising agency shall be required to utilise such materials in his own factory at the address shown in the application against which the allotment is made, and for the purpose for which the allotment is made, and no portion thereof shall be sold to any other party or utilised or permitted to be used in any other manner. The allottee shall maintain a proper account of consumption and utilisation of the imported goods in the prescribed manner in the proforma appearing in Appendix 19, and produce such account to the licensing authority, the sponsoring authority, or any other authority concerned, within such time as may be specified by such authority.

(9) *Import of spare parts against release orders.*—If an actual user is holding or has applied for a release order in respect of canalised item(s) and wants to import spare parts permissible under the import policy in force for a value not exceeding 10 per cent of the value of that release order it will be open to him to apply to the licensing authority concerned for conversion of a

part of the release order into a licence for import of spare parts permissible under the import policy in force. In the event of such conversion, the value of the release order will be correspondingly reduced. If the release order is for more than one item, and the value of each item is given therein, the applicant should indicate the extent to which the value of individual items is sought to be reduced in lieu of the import licence for spare parts claimed. (It may be clarified that this provision will apply to all actual users in the large and small scale sectors including actual users obtaining release orders under the import policy for Registered Exporters.) While making requests for conversion the country from which import of spares is sought to be made should be clearly indicated.

(10) *Conversion of licences into release orders and vice-versa.*—If against an import application, an actual user is granted a licence for non-canalised item(s) and a release order for canalised item(s), he can apply for conversion of the whole or part of the value of the licence into release order or *vice-versa* provided (i) both the licence and the release order are valid and not more than 6 month old and (ii) the conversion shall not result in the increase of value/quantity of restricted item to a limit which is not permissible under the import policy in force. If the original application was made through the sponsoring authority, the request for conversion should also be made through the sponsoring authority. No revalidation of the licence or the release order will be allowed on this account.

(11) In connection with the facility provided in sub-para (10) above, the following points are clarified :—

- (a) This facility will also be available in cases where (i) the actual user is having an import licence only for non-canalised item(s) and wants to have it converted into Release Order for canalised item(s) for whole or part of its value or (ii) the actual user is having a Release Order only for a canalised item(s) and wants to have it converted into a licence for non-canalised item(s) for whole or part of its value provided other conditions are satisfied and the applicant is otherwise eligible under the relevant policy in force for the item(s) asked for.
- (b) This facility is equally applicable to industrial undertakings in public sector.
- (c) This facility will also be given to eligible export houses.
- (d) This facility is applicable to all actual users in the large and small scale sectors including actual users obtaining licences/Release Orders as manufacturer-exporters or nominee-manufacturers under the import policy for Registered Exporters.
- (e) Requests for conversion of a release order into an import licence for non-canalised permissible item(s), may be entertained after a prescribed period of six months prescribed under sub-para (10) above, provided such request is supported by a letter from the canalising agency concerned to the effect that

it has no objection to the release order, in question being converted into a licence for non-canalised item(s) in accordance with the policy in force.

- (f) In the event of conversion (c) above, if the whole or a part of the value of the release order is added to the value of an existing import licence issued against the same application on which the release order was issued, the question of extending the validity period of the import licence on this account will not arise. However, if the applicant has only a release order which is sought to be converted into a licence, and he does not have an existing licence issued or to be issued on the same application, the licensing authority may issue a fresh import licence in the event of conversion. Such fresh licence will not have a validity period of more than 12 months. In this regard, it is clarified that the modes of financing in the case of licence(s) to be issued under this sub-para "(f)" will be the same as would have been allowed if the applicant had initially got a licence.

- (g) Requests for conversion of an import licence into a release order for permissible canalised item(s), may be entertained after the prescribed period of 6 month also, provided such request is not made after 12 months from the date of issue of the licence sought to be converted.

(12) The licensing authority may also consider requests for issue of Release Orders for a canalised item in lieu of another canalised item for which Release Order was originally issued provided :

(i) the request is supported by a letter of the canalising agency concerned to the effect that the item already appearing in the Release Order cannot be supplied to the party by the canalising agency on account of circumstances beyond the control of the party and

(ii) the new canalised item asked for in lieu of the original item is such that it was permissible to the party at the time Release Order was originally issued and is also permissible to the party under the import policy at the time the request for Release Order for the new item is considered.

(iii) The Release Orders issued in such cases for the new item would be valid for six months only.

(13) A release order which is not registered with a canalising agency and the prescribed period of 90 days provided for such registration has expired may not be accepted by the licensing authority for conversion under these provisions.

(14) In cases where a licence is issued in the name of canalising agency with a letter of authority in favour of an actual user the letter of authority shall *inter-alia* be subject to "Actual User" condition. A specimen of letter of authority is given in Appendix 25.

(15) Where a letter of authority is issued to a selling agent against a licence issued to the S.T.C. or any other

similar public sector agency, such letter of authority shall also be subject to the conditions regarding sale/disposal of imported material in accordance with arrangements approved by Government. A specimen of the letter of authority is given in Appendix 25.

(16) The procedure for obtaining duplicate copies of release orders is contained in Chapter XVII.

(17) The procedure for revalidation of release orders is contained in Chapter XI.

(18) A release order is non-transferable except with the prior written permission of the licensing authority.

Import of Prototypes

98. (1) Applications for the import of machinery and instruments as prototypes, will be considered by the Chief Controller of Imports and Exports (C.G. Division,) New Delhi.

(2) Applications should be made in Form 'E' meant for the import of capital goods along with the additional information in the proforma appearing in Appendix 32, through the sponsoring authority concerned. The sponsoring authority will forward the application to the Chief Controller of Imports and Exports, New Delhi, with his recommendation in Part III of the application Form 'E', and will also certify the additional information furnished by the applicant.

(3) In the case of small scale units, the sponsoring authority will forward the application with his recommendation through the D.C. (S.S.I.) New Delhi.

(4) Import licences for proto-type shall be subject to the condition *inter-alia*, that the imported goods shall be used in the licence holder's factory as proto-type only, and shall not be sold, or disposed of, or permitted to be utilised by any other person, or in any other manner, except with the prior written permission of the licensing authority.

(5) Notwithstanding the provision contained in sub-paragraph (3) above, applications from small scale industrial units for import of prototypes (not exceeding 2 nos) for a total value upto Rs. 12,000 (c.i.f.) will be considered by the regional licensing authorities concerned on the recommendations of the sponsoring authorities concerned. The sponsoring authorities will not be required to forward such applications to the DC (SSI), New Delhi.

(6) Applications for import of prototypes may also be considered by CCI&E, New Delhi from State Small Industries Development Corporations for modernisation of SSI units.

99. Applications for the import of goods other than machinery/instruments, such as chemicals, raw materials, etc. to be used as prototypes will be considered by the licensing authorities concerned on the recommendations of the sponsoring authorities, in terms of the import policy in force.

Import of spare parts required for servicing

100. (1) Applications for import of spare parts may be considered by the licensing authorities from manufactures of machinery to enable such units to meet the servicing requirements in respect of machinery manufactured by them, and which is in use in the country. Such applications will be considered for permissible spare parts only on the recommendations of the sponsoring authorities concerned.

(2) Applications for such spare parts should be made through the sponsoring authorities concerned, supported by a list of spare parts sought to be imported and a statement, certified by a Chartered Accountant, indicating the number of machinery, equipments and vehicles, and their description, manufactured by the applicant unit during the last three years, for which the applicant has to meet servicing requirements. This information may be given separately for each of the preceding three years.

(3) Import licences issued under this provision may be subject to the following condition *inter-alia* :—

“The goods imported against this licence shall be only for servicing and maintenance of the machi-

nery/equipment/vehicles manufactured by the licensee.”

Special procedure for issue of licences to actual users

101. Notwithstanding anything contained in this chapter, the Chief Controller of Imports and Exports or the licensing authority may by issuing a Public Notice or a Trade Notice, evolve any special procedure for issue of import licences to actual users in respect of any licensing period or commodity or any category of actual users. In such cases, the provisions of this book regarding the procedure for submission of applications and processing of applications will be applicable only to the extent indicated by the C.C.I. & E. or the licensing authority.

Procedure for import of raw materials by units in SEEPZ

101-A. The procedure for import of raw materials, components and spares by units located in Export Processing Zone, Santa Cruz, Bombay is given in Appendix 37.

101-B. The procedure for import of raw materials, components and spares by units located in Kandla Free Trade Zone, New Kandla is given in Appendix 37.

CHAPTER V

REGISTERED EXPORTERS

Procedure for claiming Replenishment Licences

102. (1) Registered exporters are those who hold valid registration certificates issued to them by the registering authorities concerned, namely, the Export Promotion Councils, Commodity Boards and the Export Promotion authorities at the ports. The names of registering authorities for different export products are given in Appendix 4 (Annexure I).

(2) In the case of exporters from Jammu and Kashmir State, the registering authority would be the Commissioner of Industries and Handicrafts, Jammu and Kashmir, Srinagar, except for exporters of Gem and Jewellery items.

(3) The recognised export houses holding eligibility certificates may, if they so desire, get themselves registered with the Federation of Indian Exporters Organisation instead of with the concerned Export Promotion Councils/Commodity Boards.

(4) Public Sector Undertakings, State owned corporations, Statutory bodies set up by Government or Government Departments will be exempt from registration with the concerned Registering Authorities for the purpose of grant of benefits under this policy.

Procedure for Registration of Exporters

103. (1) *Application for registration.*—(a) Application for registration should be made to the appropriate registering authority, indicated in paragraph 102 above. In the case of concerns having branches, the application for registration can be made by the registered office, in the case of limited companies and head office in the case of others. A registration certificate issued to the registered office/head office in such cases will also be valid for the branches of the registered concern. The branches can also apply separately for registration in which case the registering authority will issue a separate registration certificate to the applicant branch.

(b) Application for registration should be made in the form appearing in Appendix 4 (Annexure II).

(2) *Registration Certificate.*—The form of registration certificate is given in Appendix 4 (Annexure III). This is a "registration-cum-membership certificate" which has three parts. Part I should be filled in by the applicant. Except for the D.G.T.D. units, Part I should be filled in by the sponsoring authority concerned in the case of manufacturer exporters. The D.G.T.D. units should themselves fill in column 1 of Part II relating to "registration number/factory number" allotted by the sponsoring authority. Column 2 of this Part will be filled in by the registering authority with reference to the information available in the Hand Book of Indigenous Manufacturers published by the D.G.T.D. In case of doubt regarding the line of

manufacture of a particular applicant, the registering authority will consult the D.G.T.D. Part III of the form should be filled in by the registering authority in all cases. A separate form of registration has been prescribed at Annexure IV in Appendix 4 to this book in the case of exporters of Rayon Textiles.

(3) The application for registration should be accompanied by the following documents :—

- (i) Bank certificate in support of the applicant's financial soundness; and
- (ii) Registration-cum-membership certificate form with Part I and the relevant columns of Part II duly filled in.

(4) The manufacturer exporters other than D.G.T.D. units, will submit the form in triplicate through the sponsoring authority. The sponsoring authority will, after filling in Part II, give the original and the duplicate copy to the exporter and retain the third copy for its record. The applicant will then submit the original and the duplicate copy to the registering authority along with the application for registration. The D.G.T.D. units and the merchant exporters will submit the form in duplicate (instead of in triplicate) direct to the registering authority.

(5) The registering authority after filling in Part III, both in the case of merchant exporters and manufacturer-exporters, will forward the original to the exporter and retain the other copy for its record. If an applicant is both a manufacturer exporter as well as a merchant exporter, separate certificates may be issued to him by the registering authority concerned.

(6) Where a registration certificate is also valid for the branches of the registered concern the registering authority will forward copies of the registration certificate to other registering authorities in whose jurisdiction such branches are situated.

(7) *Eligibility for registration.*—Exporters who are members* of the E.P. Council concerned, having a past export performance, a good record and experience, are eligible for registration. An applicant having no previous experience of export in a particular line may also be registered if the registering authority is satisfied about the general commercial background of the applicant, his industrial experience or export performance in other lines.

(8) *Conditions of registration.*—(a) A registration certificate will be issued subject to such conditions as the registering authority concerned may consider necessary. One of the conditions of registration shall be that the registered exporter shall furnish quarterly returns of exports (including nil returns), to the registering authority by the fifteenth day of the month following the quarter.

*The condition of membership in the case of Gem and Jewellery item has been temporarily suspended.

(b) The Registration for an item with an E.P. Council, or Commodity Board or Export Promotion authority, will hold good for all the items with which the particular Council/Board is concerned except for certain categories of engineering goods, in respect of which registration will be valid only for that particular category.

(c) In the case of components and auxiliaries of textile machinery items, automobile parts and surgical instruments, and readymade garments, which, for the purpose of grant of replenishment licences, are classified under different Product Groups in Section IV of the Import Policy Book (Vol-II), depending upon the raw material used in their manufacture, the registered exporter may get themselves registered with any one of the concerned registering authority. It will not be necessary for them to get themselves registered with each registering authority for the purpose of claiming replenishment licences. Similarly, in the case of articles of previous/semi-precious stones like Ash Trays, Pen Holders, Paper Cutters, Key Chains, Paper Weights, Tie Pins etc. which qualify for replenishment licences under the product group 'Handicrafts' it would not be necessary for the exporters to get themselves registered with All India Handicrafts Board in case they are already registered with Gem & Jewellery Export Promotion Council.

(d) In case of composite items which contain raw material falling under different product groups, say Plastics, Engineering etc., if the value of a particular raw materials used is more than 50% of the value of the composite item, it is enough if the exporter registers himself with the registering authority concerned with the major content of the composite item.

(e) Once an exporter has been registered, the registration shall remain valid for four years unless the exporter registered ceases to exist, or his name is de-registered for any reason or he becomes ineligible to hold the certificate. Registration certificates which expire during 1976-77 may be accepted by the licensing authorities for a period of additional 6 months to enable the exporter to obtain fresh Registration Certificate.

(f) In the case of units situated in Kandla Free Trade Zone and Santacruz Electronics Export Processing Zone, Bombay, the registration certificate will have a period of validity as indicated by the Registering authority concerned.

Exports prior to date of Application for Registration

104. Exports made by a registered exporter before a date earlier than six months prior to date of application for registration, will not be considered for the grant of an import licence under the import policy for registered exporters. For this purpose, the effective date of submission of the application will be the date on which the application, duly supported by a bank certificate testifying the applicant's financial soundness, is received by the registering authority (or sponsoring authority in the case of manufacturer-exporters). Where an application is not supported by the required bank certificate, the date on which the bank certificate is received will be taken as the date of submission of the application. The period from the date when the party

applies for registration and the date when the registering authority writes to the bank for furnishing a certificate of financial soundness of the party will be excluded for determining the effective date of registration of the applicant. For reckoning the period of six months, the month during which the application for registration/bank certificate is received will not be taken into account. Exports made from the date six months prior to the date of application for Registration will be eligible for grant of replenishment licence provided the applications against such exports are made within the time limits as provided in para 112(1). Even in respect of export of items which qualify for replenishment only after realization of foreign exchange the period of six months will reckon from the period of exports and not from the date of realization of payment.

Change in constitution or ownership

105.(1) Where there is any change in the ownership, constitution name or address of any concern, which has been registered under the import policy for Registered Exporters, it shall be obligatory on the part of the person in authority in the concern, as originally registered, to intimate the fact of such change to the registration authority within three months of the change. Where the intimation regarding the change is not given within the prescribed period of three months, the registering authority concerned may condone the delay and entertain such requests made within a period of six months from the date of change. In the case of manufacturer-exporters, the registering authority will also verify whether the permission of the sponsoring authority in regard to the change has been obtained in terms of para 93 of this book.

(2) Requests from exporters for registration as a result of change in their constitution will be dealt with by the registering authority in the same manner as those of fresh cases of registration. The benefit of allotment of new registration number to a reconstituted firm will accrue from the date of reconstitution of the firm. In the event of a change in the ownership of any concern, the benefit of allotment of registration number of certificate to the new owner will accrue from the date of change of ownership, subject to such conditions or restrictions as may be imposed or considered necessary.

(3) In the event of a change in the ownership, constitution or name of an export house holding Eligibility Certificate, the fact of such change should be intimated by the export house to the registering authority and the CCI&E, New Delhi (E.P. Division) within one month of the change with documentary evidence. In the event of such change, the export house shall cease to have the facilities available to eligible export house, unless the eligibility certificate has been changed by the CCI&E in favour of the new owner of the business or the reconstituted firm as the case may be, in accordance with the policy applicable for the purpose.

(4) Notwithstanding the provisions made in sub-para (2) above, in cases where there is a change in the constitution of a registered exporter firm by admission or retirement or death of a partner (or by a change

of karta in the case of Hindu undivided family concerns), and the reconstituted firm takes over the business as a whole without any change in its name and address, such change will not require any fresh registration with the registering authority. In such cases the intimation about the change should be given by the reconstituted firm to the registering authority concerned in accordance with the provisions made in sub-para (1) above.

De-registration of Exporters

106. (1) The registering authority may initiate action to de-register an exporter, where such authority is satisfied that the exporter;

- (a) has ceased to have the qualification for registration or the conditions of registration have been violated; or
- (b) has indulged in any form of unfair, corrupt or fraudulent practice, or failed to fulfil any export obligation.

(2) An exporter will ordinarily be given a 'show-cause' notice, before he is de-registered. The registering authority, keeping in view the reason for de-registration will decide whether the de-registration should be for a specified period or for an indefinite period, or whether the de-registration should be limited to a particular export product or be of wider applicability. The registering authority will not be bound to give reasons for de-registration.

Registration and de-registration by the Chief Controller of Imports and Exports, New Delhi.

107. Notwithstanding anything contained in paragraph 106 above :

- (1) The Chief Controller of Imports and Exports, New Delhi, may register an exporter or direct the registering authorities to register an exporter. The registration done by the Chief Controller of Imports and Exports, New Delhi, or his direction to the registering authorities in his regard, will apply to such export products covered by the import policy for Registered Exporters, as may be specified by him.
- (2) If, on the basis of the information available, the Chief Controller of Imports and Exports New Delhi, is of the opinion that any exporter has committed a breach of any law (including any rule, order or regulation), relating to Customs or the import and export of goods or foreign exchange, he may, without prejudice to any other action that may be taken in this behalf, refuse to register such exporter or direct the registering authorities to do likewise, or he may de register an exporter, if the exporter has already been registered, or direct the registering authorities to be register him for a specified or an indefinite period and in respect of a particular export product or products or all the export products covered by the import policy for registered exporters.

(3) Where the Chief Controller of Imports & Exports is satisfied that an exporter has failed, for inadequate reasons, to comply with the terms of an export contract as regards the quality and specification of the goods to be exported or the period of delivery or in any other respect, he may, without prejudice to any other action that may be taken in this behalf, direct the registering authority to de-register such exporter for a specified or indefinite period and in respect of a particular export product or products or all the export products covered by the import policy for Registered Exporters; provided that no such action shall be taken unless the exporter has been given an opportunity of being heard in the matter.

(4) Where the CCI&E is satisfied that an exporter has failed, for inadequate reasons, to supply any data pertaining to exports and production to the licensing or sponsoring or registering authority within the stipulated period and in the manner asked for, or having supplied the required data, has failed to supply further information to Government for verification of such data, he may direct the registering authority to de-register such exporter for a specified or indefinite period and in respect of a specific export product or products or all the export products covered by the import policy for Registered Exporters; provided that no such action shall be taken unless the exporter has been given an opportunity of being heard in the matter.

Appeal and review Applications relating to registration and de-registration

108. (1) When an exporter is not satisfied with a decision of any of the registering authorities listed in Appendix 4 (Annexure 1) refusing to register him or for de-registering him, he may prefer an appeal to the Chief Controller of Imports and Exports, New Delhi, within a period of 45 days from the date of the communication containing the decision appealed against. Such appeals will be considered by the Chief Controller of Imports and Exports, New Delhi, if necessary, in consultation with the Ministry of Commerce, New Delhi.

(2) Any person aggrieved by the decision of the Chief Controller of Imports and Exports, New Delhi, taken in terms of the provisions of paragraphs 107 and 108 above, may make a representation to him for review of such decision within a period of 45 days from the date of the communication containing the decision against which the representation is made. On consideration of such representations, if it is so decided, the Chief Controller of Imports and Exports, New Delhi, may, with the approval of the Ministry of Commerce, New Delhi, either himself re-register the exporter, or restore registration or he may direct the registering authorities to re-register such exporter or restore his registration. The re-registration or restoration of registration in such cases will be subject to such condition(s) as the Chief Controller may decide.

Certification of Exports

109. (1) At the time of shipment, a registered exporter should have a copy of the shipping bill duly authenticated by the Customs, for the purpose of attaching it to his application for a replenishment licence, at the appropriate time.

(2) After shipment, the exporter should have the exports certified by an authorised dealer in foreign exchange at the time of presentation of export documents to such dealer *i.e.*, the bank, for the purpose of negotiation and/or collection of bills. While presenting the export documents, the exporter should fill in and give to the bank the declaration (in triplicate) in form I as in Appendix 4 (Annexure V), for exports made on 'out right' sale basis and in form II in Appendix 4 (Annexure V), for exports on consignment basis/approval basis.

(3) The Bank will certify the f.o.b. value of exports in Indian rupees and counter-sign the declaration after necessary verification with reference to the export documents. The bank will then pass on the original certificate with the relevant copy of the Bank attested invoice to the exporter concerned, the duplicate to the licensing authority concerned, and the triplicate will be retained by the bank for its record. In case of exports made on consignment basis/approval basis, the Bank will certify the f.o.b. value and counter-sign and pass on the certificate as in Form No. II, to the exporter, only after the 'exports' sale proceeds have been realised and surrendered to the Indian Exchange Control. A copy of the Ministry of Commerce Public Notice No. 78-ITC(PN)/74 dated 6th June 1974 indicating the detailed procedure in this regard is reproduced in Appendix-4 (Annexure VI).

(4) The above procedure implies that the authorised dealer in foreign exchange will issue separate certificates in respect of each consignment of export at the time of presentation of export documents. A bank certificate covering more than one consignment may also be entertained.

(5) The exporter will, at the time of the submission of the application for the grant of a replenishment licence in accordance with the prescribed time schedule, enclose the original bank certificate(s) and copies of the Bank attested invoices, and quota in the statement of exports furnished with the application the number and date of the certificate issued by the Bank for each of the shipments covered by the application.

(6) The procedure outlined above for certification of exports by the authorised dealers in foreign exchange will not apply in the case of the following :—

- (i) Gem and jewellery (except exports made on confirmed/outright sale basis);
- (ii) Cinematographic films (exposed)
- (iii) Exports by value Payable Post parcel;
- (iv) Exports of books, journals and periodicals by post;
- (v) Supplies made to foreign shipping companies as ship stores;
- (vi) Sales made at international exhibitions abroad;

(vii) Sales of following items to foreign tourists :—

- (a) Handicraft;
 - (b) Silk fabrics and made up articles including furnishing material;
 - (c) Silk ready-made garments;
 - (d) Cotton sarees, cotton dress material, cotton table linen, bed spreads, bed covers, cotton stoles, scarves, shawls and cotton furnishing material;
 - (e) Cotton readymade garments;
 - (f) Leather goods falling under S. No. D. 2.1 and D. 2.2. of Section II of the relevant Policy Book (Vol. II) namely footwear, hand bags, belts, purses etc.;
 - (g) Wollen Carpets, Namda etc.
- (viii) Export of carpets to foreign tourists against advance payment;
- (ix) Supplies made for IBRD/IDA aided projects in India;
- (x) Supplies made by Indian firms in India under the aid programmes of United Nations and other multi-national agencies at international prices and paid for in free foreign exchange; and
- (xi) Export of machinery and equipment against Indian equity participation in joint ventures abroad.

Procedure for Submission of Applications for licences

110. (1) Consolidated applications for import licences against export of all the products in a product-group should be made in the prescribed form as given in Appendix 4 (Annexure VII) to the licensing authority under whose jurisdiction the registered office, in the case of a limited company, and head office in the case of other registered exporters, is situated. The names and jurisdiction of the licensing authorities are indicated in Appendix 4 (Annexure VIII). If import licences are claimed in favour of more than one nominee, the consolidated application should contain the particulars of each of the nominees, indicating separate values in respect of each, in the application form and the statement of exports enclosed therewith.

(2) In the case of registered contracts, applications could, however, be filed contractwise instead of covering all the exports belonging to a product-group.

(3) It will, however, be open to a branch of a limited company or of a registered exporter to apply for an import replenishment licence against the exports effected by it, to the licensing authority within whose jurisdiction the branch is situated, provided that such branch is separately registered as an exporter or produces evidence to the effect that the registration certificate issued to limited company/head office is also valid for the branch in question. The applications in such types of cases should be accompanied by a certificate of head office or the registered

office as the case may be that it has not claimed and will not claim any replenishment licence against the exports covered by the application.

(4) Export house holding valid certificates of eligibility issued by the Chief Controller of Imports and Exports, New Delhi, may submit either a consolidated application in terms of sub-para (1) above or separate applications in respect of each of their nominees against export products falling within the same product group in the simplified application form as at Annexure VII(A) in Appendix 4 to this book.

(5) Import applications in all cases should be made to the licensing authorities concerned direct.

Frequency of Applications

111. (1) Subject to the exceptions made in subparagraphs (2) and (3) below : an exporter should make one application for import replenishment against his exports of all the products in a product group made within a quarter, namely April-June, July-September and so on, or made within six months, namely, April-September and October-March. In the case of exports on consignment/approval basis, such applications should be made in respect of sale proceeds realised and surrendered to the Indian Exchange Control within a period of a quarter or six months, as the case may be. Registered Exporters who make REP applications under the Simplified Payment Scheme can submit such applications on monthly basis if they so desire. Eligible export houses holding certificate of eligibility issued by the Chief Controller of Imports and Exports may, if they so desire, make their REP applications on monthly basis.

(2) Exporters of journal and periodicals will have the option to make applications on an annual basis, for the licensing year, provided no nominations are involved, and provided further, that the exporter satisfies the licensing authority that he is receiving subscriptions in respect of the journals and periodicals on an annual basis and is making the invoices accordingly.

(3) (i) In the case of exports of leather footwear made by the State Trading Corporation, the applications may be filed covering exports made during a licensing period.

(ii) Exporters of leather and leather manufactures under product group 'D' may, if they so desire, make their REP applications on an annual basis, covering their exports made during a licensing period.

(4) Exporters desirous of availing themselves of the facility allowed in sub-para (3) above, will have to opt for this facility, and the option so exercised will be conveyed to the licensing authority concerned. Any change in the option will be allowed only with the prior approval of the said authority.

(5) A manufacturer-exporter who wishes to claim import licences in his own name against every application that he will make, can by special arrangement with the licensing authority concerned, obtain the facility of submitting his applications in the simplified form given in Appendix 4 (Annexure IX). The

arrangement will specify what products the manufacturer-exporter would export. In such cases, I.V.C. No need be quoted only once at the beginning of each year.

(6) The provisions of sub-para (5) above will also apply to merchant-exporters who are eligible to claim licences in their own name.

Time limit for submission of applications

112. (1) Applications for import replenishment licences should be made complete in all respects, so as to reach the licensing authorities concerned within a period of three months from the end of the period of export.

(2) Applications received after the prescribed time limit, or in respect of which deficiencies, if any, are made up after the time limit prescribed for submission of applications may also be considered by the licensing authorities provided the applications are received or the deficiencies are made up within a period of three months from the prescribed time limit after the expiry of the time limit for submission of the applications. The applications received thereafter will be liable to be rejected. The licensing authorities may however, consider such application, on merits, subject to a cut in the value of import replenishment admissible against the exports in question, in cases where such authority is satisfied that the applicant was unable to submit his application in time, for reasons beyond his control. The extent of cut in the value that may be imposed in such cases will be as under :—

- (i) Applications received after a period of 6 months from the last month of the export period but within 12 months.....5% cut.
- (ii) Applications received beyond a period of 12 months from the last month of the export period, but within 18 months.....10 per cent cut.
- (iii) Applications received after a period of 18 months from the last month of the export period but within 24 months15 per cent cut.
- (iv) Applications received after a period of 24 months from the last month of the export period will be summarily rejected as time barred.

(3) The above cuts in respect of delayed/deficient applications against exports of products which qualify for replenishment only after realisation of foreign exchange will be applied with reference to the period during which the payments are credited to the exporter's account and not with reference to the period of exports.

(4) In the case of exports by V.P.P. of products other than Gem & Jewellery and Cinematographic Films (exposed) the time limits for sub-mission of applications will be reckoned with reference to the date of payment as given in the Post Master's Certificate or in the intimation slip.

Date of shipment/despatch

113. For the purpose of considering applications for import replenishment under the import policy for Registering exporters, the relevant date of export will be determined as under :—

- (a) In the case of shipment by Sea, the date of export will be determined by the date on the relevant bill of lading which generally shows the date on which the goods have actually been loaded on the ship.
- (b) In the case of exports by air, the date of export will be determined by the date on the airway bill.
- (c) In the case of exports by post parcel, the date of export will be determined by the date stamp on the postal receipt.

Documents to be submitted with applications

114. (1) Applications for licences should be made, complete in all respects, supported by a treasury challan for Rs. 50/- towards the application fee, and other prescribed documents.

(2) Along with the application, the applicant should furnish a statement of exports in the form given in Appendix 4 (Annexure VII), indicating the particulars of exports as certified by the Exporter's bank(s), against which the import application is made. For speedy finalisation of the application, the applicants are advised in their own interest to get the statement of exports certified by a Chartered Accountant.

(3) (a) The following export documents should be produced with the application for import replenishment :—

- (A) In the case of exports of products other than those detailed in paragraph 109(6).
 - (i) Bank certificate (in original) of exports, issued by the exporter's Bank; (in the case of export of Cotton/Hand-loom textiles and readymade garments of cotton/Hand-loom textiles a legible photostate copy of the Bank certificate may be produced in lieu of the original bank certificate).
 - (ii) Bank attested copy of the invoice; and
 - (iii) One copy of the shipping bill in respect of each shipment duly authenticated by the Customs. (In the case of exports of cotton/handloom textiles and ready-made garments of cotton/handloom textiles, so long as the requirement of producing the customs authenticated export promotion copy of the shipping bill to the Indian Cotton Mills Federation continues, a legible photostat copy of the shipping bill duly authenticated by the Customs may be accepted in lieu of the original shipping bill.)
- (B) Exports by V.P.P. of products other than gem and jewellery and cinematographic films exposed) :—

- (i) Invoices giving description of goods, weight of the individual items and their total weight actually exported.
 - (ii) Relevant postal receipts.
 - (iii) Post-Master's certificate of payment or the intimation slip given by the Postal Department to the Indian recipient of the proceeds of the exports made by V.P.P.
- (C) Export of books, journals and periodicals by post made by registered-exporters who have been allowed by the Reserve Bank of India to effect their exports, without observing P.P. formalities :—
- (i) Postal receipt or a certificate of posting issued by the Post Office or any other evidence in cases where the original Postal receipt has been forwarded to the importer. In the case of export by ordinary post, if the exporters are not able to produce certificate of posting, a Chartered Accountant's certificate giving complete details of postal charges, dates of exports and particulars of exports, in lieu of the certificate of posting, issued by the Post Office, should be submitted.
 - (ii) A Chartered Accountant's certificate giving the details of the exports, freight etc.
 - (iii) Invoice certified by a Chartered Accountant.
 - (iv) In cases where the applicant is not able to produce documents at (i) to (iii) above, and the payment against the exported material has been received by him in advance, the licensing authority may accept the documents, namely :—
 - (a) a certificate of Chartered Accountant giving in respect of each publication exported, its name, value of exports made during a period of 3 months or 6 months, or a year, as the case may be, and the aggregate amount of postal charges incurred on the despatches in question;
 - (b) a bank certificate in support of the receipt of payment in foreign exchange to cover the exports referred to in (a) above; and
 - (c) a declaration of the applicant that he has not and will not claim separately REP licence on the basis of the foreign exchange realisation to which the bank certificate in (b) above pertains.
- (D) Export of books, journals and periodicals by post made by registered exporters who have not been exempted by the Reserve Bank of India from P.P. formalities :—
- (i) Original Postal receipt or photostat copy thereof or a certificate of posting issued by the Post Office. In the case of exports by ordinary post, if the exporters are not able to produce certificate of posting, a Chartered Accountant's certificate giving complete details of postal charges, dates

- of export and particulars of exports, should be submitted.
- (ii) Invoices certified by a Chartered Accountant indicating the P.P. Form Nos.
- (iii) Bank certificate indicating the receipt of payment in foreign exchange as well as relevant P.P. Form No. (exports below Rs. 50/- made by ordinary post without P.P. form will not be eligible for replenishment under this procedure).
- (E) Export of books, journals and periodicals by sea/air made by registered exporters who have been allowed by the Reserve Bank of India to effect their exports, without observing GR form formalities :—
- (i) Invoices certified by a Chartered Accountant.
- (ii) Bill of Lading/Airway Bill.
- (iii) Customs authenticated shipping bill; and
- (iv) A statement duly certified by the exporter's bankers/Chartered Accountant regarding realisation of export proceeds set off against the relevant G.R. forms in a chronological orders. However, in cases where the exporters have obtained a general permit from the Reserve Bank of India waiving the G.R. formalities, it is not necessary for them to produce Bank Certificate indicating the G.R. Form Nos and instead may quote the general permit No. issued by the Reserve Bank of India in the statement issued by the Chartered Accountant.
- (F) Export by registered post of products other than gem and jewellery and cinematographic films (exposed) :—
- (i) Bank certificate (Original) of exports issued by the exporter's Bank.
- (ii) Bank attested invoice.
- (iii) Postal receipt or in cases where postal receipt has been forwarded to the consignee, a certificate issued by the exporter's Bank or Postal appraising Department indicating clearly the postal receipt No., date and amount and certifying that the relevant postal receipt has been forwarded to the consignee.
- (G) Supplies of materials made to foreign shipping companies as ship-stores :—
- (i) Bank certificate (in original) regarding receipt of foreign exchange or Indian Rupees obtained from exchange of foreign currency.
- (ii) Bank attested invoice.
- (iii) One copy of the shipping bill duly authenticated by the Customs in respect of the supplies made to foreign shipping companies.
- (iv) Custom 'Allow Order' in lieu of the customs authenticated shipping bill wherever not available.
- (v) In cases where the applicant is not able to produce the documents at (i) and (ii) above, the licensing authority may accept in lieu thereof a certificate from the Shipping Company or its agent, duly countersigned by Chartered Accountant that (a) the amount of the bill (full particulars of which should be indicated) has been paid out of the freight earnings of such Company and (b) the expenditure has been or will be shown in the monthly statement of disbursements required to be submitted to the Reserve Bank of India.
- (H) Exports of goods sold at international exhibitions abroad organised by the Directorate of Exhibitions, Ministry of Commerce :—
- Certificate from the Director of Exhibitions, Ministry of Commerce, indicating the full description of goods, the F.O.B. value, the name of the Indian exporter, date of sale and certifying that the payment against the sale in question, has been repatriated to India and surrendered to the Indian Exchange Control. The time limit for submission of an application will be reckoned from the date of sale.
- (I) Export of goods sold at international exhibitions abroad organised by the Council of Trade Fairs and Exhibitions :—
- (i) Certificate from the Council of Trade Fairs and Exhibitions indicating the full description of goods, the F.O.B. value, the name of the Indian Exporter, date of sale, and certifying that the payment against sales in question, has been repatriated to India and surrendered to the Indian Exchange Control.
- (ii) Bank Certificate indicating the receipt of payment in foreign exchange. The proforma of the Bank, Certificate given in Appendix 4 (Annexure X) may be used with suitable modifications. A time limit for submission of an application will be reckoned from the date of payment as shown in the Bank Certificate.
- (Where an applicant is unable to produce bank certificate as the documents were not negotiated through the bank, the licensing authority may accept the document in (i) above if it is satisfied on the basis of other evidence that the payment for the goods, in question, has been received through authorised channels).
- (J) Exports of woollen carpets for which payments are received locally (either in full or in part), from foreign tourists in the form of
- (a) foreign currency travellers cheques.

- (b) crossed foreign bank drafts and (c) personal cheques drawn on foreign bank :—
- (i) Bank certificate (in original) of payment issued by the exporter's bank, in the proforma given in Appendix 4 (Annexure X-A).
 - (ii) Bank attested invoice.
 - (iii) A Copy of the shipping bill duly authenticated by the Customs;
 - (iv) In the case of postal exports, original postal receipt in lieu of shipping bill; and
 - (v) A copy of the money changer's licence issued to the seller by the Reserve Bank of India.
- (K) Sale to foreign tourists of Handicraft and other items listed in paragraph 109(6) (vii) above :—
- (i) Certified true copies of sale vouchers/cash memos, giving details of (a) name and nationality of the tourists (b) passport number of the tourists, (c) details of travellers cheques/crossed foreign bank drafts/personal cheques, drawn on foreign banks, foreign currency notes and coins, provided the seller of these item possess an authorised money changer's licence from the Reserve Bank of India, (d) detailed description of the article sold, specifying material of which they are made and (e) value of each article;
 - (ii) Bank certificates indicating the number and date of the relevant sale voucher/cash memo, and showing receipt and surrender to the Indian Exchange Control of the relevant foreign currency travellers cheque/crossed foreign bank drafts/personal cheques drawn on foreign banks. (In the case of personal cheques drawn of foreign banks, the bank should also certify that the proceeds of the cheque have been realised in foreign exchanges as per the Exchange Control Regulations).
- (L) Supplies made for IBRD/IDA aided projects in India where Indian exporter sends export documents to the foreign buyer who in turn requests the IBRD/IDA for payment to the exporter on his behalf out of the loan granted to him.
- (i) Bank certificate showing realisation of sale proceeds in the form No. II in Annexure X in Appendix 4 to this book with such deletions/modifications as might be necessary to indicate the receipt of payment in India to the credit of the exporter's account against each individual transaction or invoice.
 - (ii) Shipping Bill duly authenticated by the Customs.
- (iii) Copy of Invoice, indicating *inter alia* the No. and date of shipping bill.
- (iv) Bill of Lading.
- (v) Insurance receipt.
- (M) Exports of Machinery and equipment against Indian equity participation in Joint ventures abroad.
- (i) Copy of the invoice—(The invoice should contain a remark, viz., Exports towards meeting equity participation in a joint venture, namely M/s. (name of place and country) as approved in Ministry of Commerce letter No. dated
 - (ii) Export promotion copy of Shipping Bill in respect of each shipment duly authenticated by Customs.
 - (iii) Chartered Accountant's Certificate in value of exports freight and insurance original certifying the CIF/CF/FOB charges, if any incurred, GR From No. etc. as in the form in Annexure XI given in Appendix 4 to this book.
 - (iv) A copy of Govt./R.B.I.'s sanction permitting the value of exports to be used as equity participation.
- (N) Supplies made by Indian firms in India against IBRD/IDA aided projects or under the aid programmes of United Nations and other multi-national agencies of international prices and paid for in free foreign exchange.
- The documents to be submitted and the procedure to be followed for claiming replenishment against these supplies are given in Annexure No. XXI of Appendix 4.
- (O) Foreign Exchange earned by consultancy firms by undertaking technical/consultancy work/construction work abroad.
- (i) Bank Certificate in original showing the amount of consultancy fees/other charges/construction charges;
 - (ii) No. and date of the Reserve Bank of India's letter, if any, approving the consultancy agreement;
 - (iii) The amount of foreign exchange released by the Reserve Bank of India for travel etc. abroad of Engineers/Others together with the No. and date of the permit issued by the RBI.
 - (iv) Passage money paid in India for booking of passage of the personnel.
- The particulars at (ii) to (iv) above should be certified by a Chartered Accountant.
- (P) Foreign exchange earned by Ship repairs.
- (i) A certificate from the Shipping Company or its agent, duly countersigned by Chartered Accountant that (a) the

repair bills (full particulars of which should be indicated) have been paid out of the freight earnings of such Company and (b) the expenditure has been or will be shown in the monthly statement of disbursements required to be submitted to the Reserve Bank of India or

- (ii) In cases where the repair charges are received from abroad, a bank certificate showing realisation of foreign exchange on this account along with repair bill duly attested by the bank.

(Q) Sale of goods displayed in Engineering Export Promotion Council's Show Room abroad.

Documents to be furnished by the applicant in such cases will be the same as indicated in para (I) above with the modification that there should be a certificate from the Engineering Export Promotion Council instead of from the Council of Trade Affairs and Exhibitions. The time limit for submission of an application will be reckoned from the date of sale.

In addition to the documents mentioned above, an exporter will also be required to furnish any other documents/information as may be considered necessary by the licensing authority or is required in terms of the relevant Import Trade Control Policy and Procedure in force.

(4) Where the original copy of the shipping bill has been lost or misplaced, the licensing authority may accept a Customs' attested copy thereof or photostat copy of the Customs' authenticated shipping bill or Customs certificate of shipment issued by the Customs authorities supported by the applicant's affidavit to the effect that the original authenticated copy of the shipping bill has been lost/misplaced without having been produced to any authority for claiming any benefit against the exports pertaining to the said shipping bill, and that if it is traced or found later, it shall not be produced in future to claim any such benefits. In cases where the original postal receipt has been lost or misplaced, the exporter may produce a similar affidavit along with a certificate of posting issued by postal authorities giving all the required particulars of goods exported.

(5). Requests from regular exporters of products other than gem and jewellery items and cinematographic films (exposed), having a large number of export transaction in each quarter, may be considered on merits by the Chief Controller of Imports and Exports, for admission of their applications for replenishment on the basis of other documentary evidence such as Chartered Accountant's certificate, indicating therein all the relevant particulars as are contained in the prescribed export documents, provided their annual exports exceed Rs. 50 lakhs, and provided further that the export products qualify only for import replenishment.

(6) Exporters should produce evidence of freight and insurance charges to the bank concerned to enable them to verify the f.o.b. value of exports in

the Bank certificate. Immediate Rebate allowed by the overseas shipping companies in freight charges at the time of shipment may also be taken into account by the banks while arriving at the f.o.b. value. In cases where the export contract contains a freight variation clause, the exporter will be eligible to claim replenishment in respect of the foreign exchange realised on account of freight variation.

(7) The applicant should enclose with the application five copies of the list of items applied for. (Where imports of any of the permissible items are sought to be made from the rupee payment area, a separate set of 5 copies of the items to be imported from such area should be sent with the application for import licence).

(8) If an applicant wishes to apply for items on the basis of A.U. licence/A.U. release order in term of the import policy in force, he should also enclose the original, with a certified copy of such licence (including list of goods attached to that licence and/or Release Order). If the applicant is unable to produce the original licence and the list of goods, a legible photostate copy thereof may also be accepted. If the applicant is unable to produce the original Release Order, a legible photostat copy thereof of a certified copy may also be accepted.

(9) For this purpose, the licence/Release Order bearing the following entries against the column "Class of importer"/"Category of Allottee", as the case may be, will be accepted as A.U. licences/A.U. Release Orders :—

- (a) Actual User.
- (b) Raw Materials.
- (c) Small Scale Industrial Units.

(10) Capital Goods/H.E.P. licences, the licences issued under the National Defence Remittance Scheme and the licences issued under the import policy for Registered Exporters will not be regarded as A.U. licences for the purpose of grant of licences under this policy.

(11) Export houses should produce with their import application a copy of the registration-cum-eligibility certificate issued by the Chief Controller of Imports and Exports, New Delhi, with a declaration that it has not been cancelled or withdrawn.

Sale to foreign tourists of handicrafts and other items, listed in paragraph 109(6)(vii) above.

115. (1) Registered Exporter (dealer who has been authorised by the Reserve Bank of India to receive payment in foreign exchange against sales made by him to the foreign tourists will be eligible to apply for grant of replenishment licences against sale of handicraft and other items listed in paragraph 109(6)(vii) above made to foreign tourists against (I) foreign currency travellers cheques, (II) crossed foreign bank drafts, (III) personal cheques drawn on foreign banks, and (IV) foreign currency notes and coins.

(2) In respect of the sale of these items to foreign tourists in India, following procedure is to be adopted by the authorised registered exporter (dealer) :—

- (a) Registered and authorised dealer will be required to maintain printed, serially numbered voucher books. A specimen voucher is at Annexure XII in Appendix 4 to this book;
- (b) Each sale voucher will be in triplicate showing details regarding the name and nationality of the tourists, his/her passport number, description of items sold, the sale value in foreign exchange and the rupee equivalent details thereof;
- (c) The original sale voucher will be handed over to the tourist for his own use;
- (d) The duplicate copy of the voucher will be sent by the dealer alongwith the application for replenishment licence at the time of its submission;
- (e) The triplicate copy will be retained by the dealer for his record.

(3) The authorised dealer will be required to maintain a register containing the following particulars :—

- (i) Serial Number;
- (ii) Number of the sale voucher;
- (iii) Date of sale;
- (iv) Name of the foreign purchaser;
- (v) His/her Passport Number;
- (vi) Description of the item sold and the material of which made;
- (vii) Value in rupees;
- (viii) Equivalent foreign exchange rendered;
- (ix) Name of the bank in which foreign currency/traveller's cheques/crossed foreign bank drafts/personal cheques deposited;
- (x) Date of deposit; and
- (xi) Remarks

This register will be open to check by Government.

(4) Applications for replenishment licences against such sales will be made to the licensing authorities under whose jurisdiction the registered office of the applicant is situated. Applications will be made in the same form as is applicable in the case of the other registered exporters. Such applications should be made in respect of sales made during a period of a quarter, half year and should reach the licensing authorities within a period of three months succeeding the last month of the period during which sales were made. The applications should be accompanied by the following documents :—

- (i) Treasury Receipt for Rs. 50/-;
- (ii) Certified true copies of sale vouchers cash memos, giving details of (a) name

and nationality of the tourist (b) Passport number of the tourist, (c) details of traveller's cheques/crossed foreign bank drafts/personal cheques drawn on foreign banks, (d) detailed description of the articles sold, specifying material of which they are made, and (e) value of each article;

- (iii) Bank certificates including the number and date of the relevant sale voucher/cash memo, and showing receipt and surrender to the Indian Exchange Control of the relevant foreign currency traveller's cheques/crossed foreign bank drafts/personal cheques drawn on foreign banks. (In the case of personal cheques on foreign banks, the bank should also certify that the proceeds of the cheques have been realised in foreign exchange as per the Exchange Control Regulations); and
- (iv) A Statement of the sales giving details of sale voucher/cash memo, its number and date, description of the articles sold specifying the material of which they are made, the value in rupees of foreign exchange surrendered, the date of surrendering of traveller's cheques/foreign bank drafts/personal cheques and the date of realisation of foreign exchange in the case of personal cheques, as per specimen proforma at Annexure XII in Appendix 4 to this book.
- (v) Payment on such sales made through credit cards issued by Diners' Club and American Express International will also be eligible for import replenishment under this policy subject to the terms and conditions laid down in this para and on evidence of receipt of foreign exchange through authorised banking channel.

Procedure for transfer of Import replenishment licences/REP entitlement

116. (1) The provisions in regard to transfer are contained in Part 'B' of Section 1 of the Import Trade Control Policy (Vol. II). A merchant exporter or manufacturer exporter desirous of transferring his import replenishment licences entitlement in favour of the S.T.C. or MMTC or an export house should make a specific request to this effect to the licensing authority in accordance with the prescribed procedure.

(2) The applicant will not be permitted to withdraw the request for transfer once made. Before making transfer in favour of an export house, the exporter should satisfy himself that the export house holds a valid eligibility certificate.

Import of jigs, tools and machinery by supporting manufacturers of Export Houses

117. A registered manufacturer exporter transferring an import licence to any of the aforesaid agencies against the entire Import replenishment admissible to him in respect of his exports in a particular export

period may retain a portion of such import entitlement, to import jigs, tools and machinery under para-45, Part B, section-I of the Import Trade Control Policy (Volume II), in the manner stated below :—

- (a) If the manufacture-exporter concerned wishes to import jigs, tools, testing instruments and equipment of packing and tagging, against the exports made during a particular export period in terms of the import policy in force, he may apply for an import licence in his name for such goods in accordance with the prescribed procedure, and transfer to the STC/MMTC or an Export House only for the balance amount. In such cases, if the licence sought to be transferred has already been issued, the licensing authority, while allowing the transfer, will suitably reduce the value of the licence to enable the manufacturer-exporter to obtain a separate import licence for the admissible value for import of Jigs, tools etc., from the licensing authority concerned. While reducing the value of the licence, the licensing authority will send an intimation to this effect to the licensing authority to whom the manufacturer-exporter will apply for import of Jigs, tools etc.
- (b) If the manufacturer-exporter concerned wishes to import plant and machinery against his exports made during a particular export period in terms of the import policy in force, he may apply separately for a licence for these goods in the prescribed form and manner supported by a recommendation of the sponsoring authority concerned. In such cases, the transfer in favour of STC, MMTC or an Export House can be made only for the balance import replenishment due to the manufacturer-exporter.
- (c) If a manufacturer-exporter has transferred his import licence to STC/MMTC or an Export House for his entire import entitlement in a certain period and the import licence has been transferred to such agency, the manufacturer-exporter may, subsequent to the issue of such licence, request for import of plant and machinery against the value of that licence by producing a written consent of the transferee concerned to this effect to the licensing authority. For this purpose the manufacturer-exporter will also have the facility of combining more than one such licence transferred to such agency against his import entitlements for import of plant and machinery. While giving its consent, the transferee concerned will surrender the import licences, in question, for a corresponding reduction in their value.

Procedure for nominations

118. (1) The provisions in regard to nominations are contained in Part 'B' of Section 1 of the Import Trade Control Policy (Vol. II). Where a nomination is made in accordance with the relevant policy, the particulars of the nominee should be given in Part 'B' of the application form (Form 'H' as appearing in Appendix 4 (Annexure VII).

(2) *Defective nominations.*—An application where the nomination has not been correctly made, will be liable to be rejected by the licensing authority. In such a case, an application for licence will be considered to have been received by the licensing authority, on the date on which the correct nomination is received. However, the licensing authority may not impose any cut while entertaining the correct nomination if the earlier nomination was not accepted by the licensing authority.

(3) *Change in nomination.*—A licensing authority may allow a change in the nomination once made with the consent of the nominee, and subject to such restrictions and conditions as may be prescribed by such authority and subject to the provisions of sub-para 112(2) above.

(4) Before making a nomination, the exporter should take the following precautions :—

- (i) He should ensure that that nominee is a manufacturer of a product on the basis of which he can be nominated in terms of the import policy in force. He should verify the eligibility of the nominee with reference to the registration certificate issued to him by the sponsoring authority, and with reference to the actual user licence and/or A.U. Release Order, possessed by him. If the nominee is a registered manufacturer-exporter, the registration-cum-membership certificate issued to him by the registering authority in revised form will also contain in its Part II, an endorsement by the sponsoring authority indicating the end-products manufactured by the unit. A manufacturing unit will not be eligible for nomination if the registration certificate issued to it by the sponsoring authority is endorsed 'provisional' or 'temporary', or the registration certificate is endorsed as valid only upto a specified date. A manufacturing unit will also not be eligible for nomination if it does not hold actual user licence/release order issued to him under the A.U. policy for 1974-75, 1975-76 or 1976-77 for the import/allotment of raw material/components for the manufacture of the same end-product on the basis of which the nomination has been made.
- (ii) He should ensure that the nominee is not debarred from receiving import licences or allotments of imported goods under the Imports (Control) Order; and
- (iii) He should check up that the nominee is asking for items which are permissible according to the import policy for registered exporters in force. It may be clarified that it will not be permissible for the manufacturer-exporter or his nominee to claim an item for import on the basis of Actual user licence/A.U. Release Order issued to a different industrial unit even if both the units (*i.e.* the unit claiming the licence/Release Order and the unit possessing Actual User Licence/Release Order) are

owned by the same person or same set of persons or have common I.V.C. Registration/Exemption Number.

(5) In the case of nomination, the registered exporter should produce a photostat/attested copy of the A.U. licence/A.U. Release Order issued to the nominee to enable the licensing authority to determine the eligibility of the nominee under subpara 118 (4) above.

*Gem and Jewellery and Cinematographic Films
(Exposed)*

119. (1) In the case of Gem and Jewellery items, the applications for licence will be made only after the sale proceeds of exports have been realised and surrendered to the Indian Exchange Control, except in the case of exports made on confirmed/ought right sale basis. The applications may be made on a quarterly or half yearly basis by registered exporter so as to reach the licensing authority concerned within a period of three months from the end of the quarter or half year during which the proceeds of foreign exchange were actually credited to the exporter's account. In the case of exports on confirmed/out-right sale basis, the applications should reach the licensing authority within three months from the expiry of the period of export. In the case of advance payments received in respect of gem and jewellery items, the time limit for submission of applications will be reckoned with reference to the period of export. The application form for gem and jewellery items is given in Appendix 4 (Annexure XIII-A).

(2) The registered exporters of cinematographic films (exposed) will have the option of filing applications on quarterly or on half yearly basis. In such cases the application should reach the concerned licensing authority, within a period of three months following the quarterly or half yearly period in which the payments were received.

(3) The application should be accompanied by the following documents :—

(1) In case of exports of Gem and Jewellery items made on confirmed outright sale basis :—

- (i) Treasury Challan for Rs. 50/-.
- (ii) Bank Certificate (in-original) of exports issued by the Exporter's bank as in Form No. I Annexure V of Appendix-4 of this book.
- (iii) Copy of Bill of Lading/Airway Bill duly attested by the shipping Company/Airway Company (Postal receipt in the case of exports by post).
- (iv) Copy of Shipping Bill duly authenticated by Customs (Except in the case of exports by post or V.P.P.).
- (v) Copy of invoice duly attested by the Customs.
- (vi) Copy of invoice duly attested by the negotiating Bank.

Note :—The attested invoices should clearly indicate that the exports were on confirmed/outright sale basis.

(II) In the case of other exports of Gem & Jewellery items :—

- (a) Treasury challan for Rs. 50/-.
- (b) Copy of Bill of Lading/Airway Bill duly attested by the Shipping Company/Airway Company (Postal receipt in the case of exports by post).
- (c) Copy of Shipping Bill duly authenticated by Customs (except in the case of exports by post or V.P.P.).
- (d) Copy of invoice duly attested by the negotiating Bank.
- (e) Copy of invoice duly attested by the Customs (in the case of gem and jewellery items).
- (f) Bank certificate in original regarding receipt of foreign exchange, as per proforma given in Appendix 4, (Annexure X).

Sale to foreign tourists of gem and jewellery items

120.(1) A registered exporter (Jeweller) who possesses "Authorised Money Changers' licence issued by the Reserve Bank of India and is approved by the Export Promotion authority at Bombay, Calcutta and Madras and by the licensing authority at other ports will be eligible to apply for grant of replenishment licence against sale of gem and jewellery items made to foreign tourists, where payments are received in the manner permissible under the authorised money-changer's licence. In the case of personal cheque drawn on bank outside India, a certificate from the authorised dealer in foreign exchange to the effect that proceeds of the cheque have been realised should be produced. In all other cases, a certificate that the cheques/amounts have been surrendered to the Indian Exchange Control would be sufficient.

(2) The registered exporter (Jeweller) who had been previously approved prior to the date of the devaluation and who still possesses the "Authorised Money Changers" licence, would be considered as "approved" for the purpose of claiming replenishment in accordance with these provisions.

(3) The registered exporter (Jeweller) desiring to claim benefits under this scheme, who does not possess "money changers" licence, may apply for such a licence to the Reserve Bank of India in the prescribed form and on receipt of the same he may approach the concerned, Export Promotion Council/licensing authority for approval.

(4) The minimum annual sales that an approved jeweller will be required to make to foreign tourists against realisation of payment in foreign exchange would be equivalent of Rs. 50,000. At the time of seeking approval, the registered exporter (jeweller) will furnish an undertaking to the approving authority concerned at the ports to the effect that (i) a minimum sales to foreign tourist to the value of Rs. 50,000 would be effected during the next twelve months and (ii) in the event of cancellation by minimum sales to foreign tourist to the value of R.B.I. of the licence issued to him an intimation will be sent by him forthwith to the approving authority concerned.

(5) If the minimum level of sales is not reached within the prescribed period of one year or if the authorised money changers' licence is withdrawn during the period for any reason the concerned registered exporter (Jeweller) would cease to be entitled to the replenishment admissible against sales to foreign tourists.

(6) Ministry of Commerce and/or Chief Controller of Imports and Exports may withdraw the approval given by the approving authority at ports without assigning any reason and recommend cancellation of the licence issued by the Reserve Bank of India.

(7) In respect of the sale of gem and jewellery items to foreign tourists in India, against foreign currency travellers cheques following procedure is to be adopted by the registered approved jewellers :—

- (a) Registered approved jeweller will be required to maintain printed, serially numbered voucher books, the particulars of which should be notified in advance to the approving authority. A specimen voucher is at Appendix 4 (Annexure XIV).
- (b) Each sale voucher will be in quadruplicate, showing details regarding the name and nationality of the tourists, his/her passport number, description of the gem and jewellery items sold; the sale value in foreign exchange and the rupee equivalent details of the foreign currency traveller cheques given by the tourist.
- (c) The original sale voucher should be stitched with the tourists passport. The Customs authorities at the time of departure of the tourist will detach the voucher and send it to the concerned licensing authority with an endorsement.
- (d) The duplicate copy of the sale voucher will be handed over to the tourist for his own use.
- (e) The triplicate copy of the voucher will be sent by the jeweller along with the application for replenishment licence at the time of its submission.
- (f) The fourth copy will be retained by the Jeweller for his record

(8) The approved jeweller will be required to maintain a register containing the following particulars :—

- (i) Serial Number.
- (ii) Number of the sale voucher
- (iii) Date of sale.
- (iv) Description of the item sold.
- (v) His passport number.
- (vi) Name of the foreign purchaser.
- (vii) Value in rupees.
- (viii) Equivalent foreign exchange rendered.
- (ix) Name of the Bank in which foreign currency travellers' cheques deposited.

(x) Date of deposit.

(xi) Remarks.

This Register will be open to check by Government.

(9) The registered exporter who is an approved jeweller will be required to submit an application in the prescribed form and manner to the import and Export Control licensing authority, within whose jurisdiction the registered office of the applicant is situated.

(10) Such applications with the documents indicated below should be made in respect of sales made during a quarter or half year and should reach the licensing authority concerned within a period of three months succeeding the period during which sales were effected.

Documents

- (i) Treasury challan for Rs. 50.
- (ii) Triplicate copies of sale vouchers giving full description of the items sold, their value in Indian rupees, particulars of foreign tourist, his/her passport number, mode of payment and amount of foreign currency travellers' cheques.
- (iii) Bank certificate in original evidencing receipt of foreign exchange from sales to foreign tourists against travellers' cheques.

(11) The details of products eligible for replenishment against sales to foreign tourists, the extent of replenishment, the items permissible for import, etc. are given in the policy statement in Section 11 of the import Policy Book (Vol. II).

Conditions of import licences issued under the import policy for Registered Exporters

121. (1). *Licences/release orders issued to manufacturer-exporters.*—Import licences for raw materials, components, spares, machinery and other goods, and —also the release orders issued to manufacturer-exporters under the import policy for Registered Exporters shall be subject to the Actual User conditions for the utilisation of the imported goods, as laid down in chapter IV and VI of this book.

(2) *Licences/release orders issued to nominees of registered exporters.* Import licences for raw materials, components, spares, machinery and other goods, and also the release orders issued to manufacturers nominated by registered exporters under the import policy for registered Exporters shall be subject to the 'Actual User' condition for the utilisation of the imported goods, laid down in chapter IV and VI of this book.

(3) *Licences/release orders issued to merchant exporters.*—Import licences and release orders issued to merchant exporters under the import policy for Registered Exporters shall be subject to the condition that the licensee shall not sell or otherwise dispose of the imported materials but use them in the manufacture of the goods exported provided the manufacture of such goods elsewhere is undertaken on the licensee's account.

(4) *Licences/release orders issued to Export Houses.*—(i) Import licences and release orders issued to merchandising Export Houses under the Import policy for Registered Exporters, and import licences acquired by Export Houses by transfer from registered exporters under the said policy, shall be subject to the condition that the imported materials shall be disposed of to actual users engaged in export production. The Export Houses may also utilise the imported materials for export production on their own account in the manufacturing establishment owned by others.

(ii) Import licences acquired by export houses by transfer from registered exporters shall also be subject to such export obligation as may be imposed under the import policy for Registered Exporters as in force from time to time.

(5) *Transfer of import replenishment licences.*—Merchant exporters and manufacturer—exporters may be allowed, on request, to transfer import replenishment licences issued to them under the import policy for Registered Exporters, in favour of the State Trading Corporation, or the Minerals and Metals Trading Corporation, or an merchandising Export House. The request for transfer should be supported by a written consent of the proposed transferee. Such transfers will be regulated in terms of sub-clause 5(3) (i) of the Imports (Control) Order, 1955, in accordance with the provisions made in the relevant Import Trade Control Policy (Volume II).

(6) *Licences issued against gem and jewellery exports.*—Import licences against exports of gem and jewellery will be issued in the name of registered exporters under the import policy for Registered Exporters, without the usual 'Actual User' condition imposed on other licences issued under this policy.

(7) (i) *Clarification regarding Industrial Unit.*—For the purpose of complying with the 'Actual User' condition in respect of imported materials, the manufacturer-exporters and nominee-manufacturers shall utilise the imported materials only in the factory at the address shown in the application against which the licence/release order is issued, and for the purpose for which the licence/release order is issued. The imported materials shall not be used in a different industrial unit even, if the industrial unit holding the licence/release order and the industrial unit in which the goods are used are owned by the same person or the same set of persons, or have a common IVC registration/exemption number. This definition of an industrial unit will also apply in the matter of claiming imports of items appearing in the Actual User licences/Actual User Release Orders in terms of the import policy for Registered Exporters as clarified in subparagraph 119(4) (iii) of this chapter.

(2) *Conditions applicable to letters of authority.*—Where a licence is issued in the name of a canalising agency with a letter of authority in favour of a registered exporter or a nominee of a registered exporter, the letter of authority shall be subject to the same conditions as are applicable to the licence/release order in term of sub-para above, in addition to any other conditions as may be imposed or made applicable.

Procedure for the grant of 'Advance', and Imprest licences

(i) Advance Licences

122. (1) Applications from registered exporters, including merchant exporters and design engineering organisations for the grant of advance licences or C.C.Ps. or release orders for raw materials required for the execution of firm export orders, will be considered on merits.

(2) Requests for the grant of C.C.Ps. for import of rough diamonds, uncut precious stones/semi-precious stones and undrilled pearls, for processing and re-export to the foreign supplier, will also be considered on merits.

(3) Ordinarily, an export order will be regarded as a firm order if it is backed by an irrevocable letter of credit or substantial advance payment.

(4) Requests for the grant of advance licences/Release orders, for the execution of other types of firm export orders with different modes of payment such as sight draft/D.A. basis may also be considered depending on the merits of each case.

Applications to be made to the Regional Licensing Authorities.

(5) Eligible Registered Exporters should submit their applications for advance licence in the prescribed form as in Appendix-4. (Annexure XV) to the Regional Licensing authority concerned within whose jurisdiction the applicant is situated in the following type of cases :—

- (a) where the value of advance licence/release order applied for does not exceed Rs. 25 lakhs.
- (b) the export order for the execution of which the advance licence/release order is required is backed by an irrevocable letter of credit or where an irrevocable letter of credit will be opened before the goods are exported; Licensing authorities may, however, accept sight drafts/D.A. basis as modes of payment in lieu of irrevocable letter of credit in individual cases on merits. Where there is no letter of credit at the time the application for advance licence is made but an irrevocable letter of credit will be opened before the goods are exported in execution of the export order in question, the applicant should specifically say so in the application for advance licence;
- (c) the export product for which the advance release order is sought to be issued are from those which appear in Col. 4 against the relevant export product in Section II of the import policy book (Vol-II), or covered by AU licence/AU release order for the same end-product and are open to actual users under the current policy and to the extent permissible.

- (d) no export obligation is outstanding against the applicant in respect of an earlier advance licence/release order (Licensing authority may, however, consider on merits cases in which an export obligation against one previous advance licence only is outstanding); and
- (e) the export product for which the advance licence/release order is applied for does not fall in any of the following product groups :—

- (i) Stainless Steel Products.
- (ii) Gem and Jewellery.

- (f) Where the application is for the grant of a Customs Clearance Permit (without exchange control copy) for import of raw materials and components to be used in the product to be exported, the value applied for is within the import replenishment entitlement admissible against the product to be exported and the items sought to be imported appear in column 4 against the relevant export product in Section II of this book, or covered by Actual User licence/Actual User Release Order for the same end-product and are open to actual users under the current import policy and to the extent permissible.

(6) Applications for advance licences against export orders for readymade garment, woollen textiles, carpets etc., natural silk fabrics and cellulosic/non-cellulosic fabrics (two product groups K,L,O,P,V,W,X) in the import policy for Registered Exporters should be addressed to the Joint Chief Controller of Imports and Exports, Bombay (irrespective of the jurisdiction of the licensing office within which the registered office of the exporter is situated. Such applications should also be accompanied by the usual documents prescribed in sub-paragraph (9) below. Jt. CCI&E, Bombay will deal with the applications as per policy in consultation with textile commissioner Bombay.

(7) In the case of export orders for textile machinery, applications for advance licences should be addressed to the Joint Chief Controller of Imports and Exports, Bombay, and routed through the Textile Commissioner Bombay, irrespective of the licensing authority in whose jurisdiction the applicant is situated.

(8) Except in the type of cases referred to in (5)-(7) above all other applications for advance licence/release order should be submitted to the Chief Controller of Imports and Exports, New Delhi (Export Promotion Division) with a copy to the regional licensing authority concerned. In such cases, a simpler procedure for disposal of applications will be followed where (i) the value of the advance licence/customs Clearance Permit to be issued is within the import replenishment against the product to be exported, (ii) the items sought to be imported have been cleared by the DGTD (EP Directorate) and (iii) the case is not covered by the duty exemption scheme referred to in Annexure XXII in Appendix-4.

(9) Applications should be accompanied by the following documents :—

- (a) Treasury challan for Rs. 50/-.

- (b) Original with a certified copy of the export order, secured by the applicant.
- (c) Photostat copy of the relevant irrevocable letter of credit covering full value of the export order.
- (d) Any other documentary evidence relevant to the export order and the type of material to be used in the export product.
- (e) Five copies of the list of items applied for.
- (f) In the case of products the export of which is canalised a certificate from the Canalising Agency concerned to the effect that the export contract has been registered with it.

(10) In the case of exports on deferred payment basis, the applicants should also enclose a copy of the Reserve Bank of India's approval for deferred payment terms. Cases where the Reserve Bank of India has given approval to deferred payment in principle only, will not be considered for grant of advance licences.

(11) Where imports of any of the permissible items are sought to be made from rupee payment area, a separate set of 5 copies of the list of items to be imported from such area should be sent with the application for import licence.

(12) Applications for advance licences/release orders should be filed only by the Registered Office in the case of limited Companies and the Head Office in the case of other Registered Exporters. A branch of a Limited Company or of a registered exporter can also apply for advance licence/release order for the execution of an export order received by it, provided such branch is separately registered as an exporter or produces evidence to the effect that the registration certificate issued to the Limited Company/head office is also valid for the branch in question.

(13) The value for which an advance import licence/release order may be issued will be within the maximum value as admissible against the particular export product under the import policy for Registered Exporters. Where an advance licence is issued for a value less than the value admissible against the exports made in execution of the relevant export order, the applicant can claim an import licence for the balance amount under the import policy in force, after the exports against the firm order, in question have been made and the bond executed by him has been redeemed, provided that there is no condition to the contrary on the advance licence/release order issued to the party.

(14) The items to be licensed would be those considered essential for the manufacture of the export product provided such items are permissible in terms of the policy in force or are allowed in relaxation of such policy on merits.

(15) The licensee shall ordinarily be required to fulfil the export obligation within a period of six months from the date of importation of the first consignment against the advance licence in question. Exports effected prior to the date of importation of the first consignment and after the date of application for advance licence may also be considered towards discharge of

export obligations, provided that the export documents clearly indicate that the exports were effected in fulfilment of the specific export order, produced by the applicant at the time of application for advance licence.

(16) Request for following a longer period of time either initially or subsequently by way of extension for fulfilment of the export obligation may also be considered on merits.

(17) Before clearance of the first consignment or before obtaining supplies of the goods against the release order, as the case may be, the applicant will ordinarily be required to execute a bond with Bank guarantee as in proforma at Appendix 33 for an amount equal to 50 per cent of the c.i.f. value of the licence, for fulfilling the export contract or any such higher for fulfilling the export obligation equivalent to the f.o.b. value of the export contract or any such higher f.o.b. value as may be fixed by the licensing authority.

(18) In the following types of cases, the licensing authority may also accept a legal undertaking as per Appendix 35 of this book in lieu of bank guarantee :

- (a) In the case of manufacturer-exporters who have been exporting their products during the last three years; or
- (b) In cases where the value of the advance licence is Rs. 5 lakhs or above (or Rs. 2.5 lakhs or above in the case of manufacturer—exporters in the small scale sector).
- (c) In the case of manufacturer-exporters in the public sector.
- (d) In exceptional circumstances it will be open to the licensing authority to accept only a bank guarantee even in cases referred to in (a) and (b) above having regard to the nature of items sought to be imported against an advance licence.

(19) The bond amount will be liable to forfeiture in the event of the non-fulfilment of the export obligation within the prescribed time-limit. This will be without prejudice to the adjustment of excess licensing against the licensee's future A.U., R.E.P. and other licences, de-registration, and any other action that may be taken against the licensee or any other person under the Imports (Control) Order, 1955, as amended.

(20) Ordinarily, a second advance licence will not be issued to an applicant in whose case an earlier advance licence with an export obligation is still outstanding.

(21) As evidence of the fulfilment of the export obligation and for the redemption of bond, the licensee will be required to submit the same documents as are to be produced for claiming replenishment licences against past exports under the import policy for registered exporters.

(22) Applications for advance licences under the Duty Exemption Scheme should be made to the Chief Controller of Imports & Exports, New Delhi (Export Promotion Division). The detailed procedure in this regard is contained in Annexure XXII.

Imprest Licences (Automatic Imprest Licensing Schemes).

123. (1) Applications for the grant of import licences/release orders under the Automatic Imprest Licensing-Scheme should be made direct to the regional licensing authorities concerned in the prescribed form as given in Appendix 4 (Annexure XVI).

(2) The application should be supported by :—

- (a) Treasury Chalan for Rs. 50/- towards application fee.
- (b) A statement indicating the particulars (*viz.* Number, date and value of REP licences/Release Orders : and the Serial Number of the export product :
 - (i) obtained by the applicant in 1975-76 against his own exports.
 - (ii) obtained by the applicant in 1975-76 as a nominee against his products exported through others (This will not apply to merchandising export houses);
 - (iii) due to be issued to the applicant in 1975-76 but adjust against 'Repeat Operation; and
 - (iv) due to be issued to the applicant in 1975-76 but adjusted against Advance, Imprest and 'ON' Account' licences issued earlier.
- (c) 5 copies of the list of items sought to be imported. (The list should contain items which appeared in the REP licences/Release Orders obtained by the applicant in 1975-76).
- (d) Any other document as may be necessary under the policy in force.
- (3) Applications for automatic imprest licences made to regional licensing authorities should not be for a value more than Rs. 5 lakhs or 50% of the total value of REP licences/Release Orders obtained by the applicant during 1975-76 or due to him in that year but adjusted, as referred to in sub-para 2 above whichever is higher. After the export obligation on the first imprest licence has been discharged, the applicant can apply for a second imprest licences in the simple manner as indicated above.
- (4) For the fulfilment of export obligation against the imprest licence/Release Order, the applicant will be required to execute a bond with bank guarantee or a legal undertaking as the case may be in the same manner as provided in sub-para 122(17) above. In this connection, the provisions of sub-paras 122(18) and 122(19) above will also apply.
- (5) Applications for the grant of automatic imprest licences/Release Orders and Special imprest licences/Release Orders should be made to the Chief Controller of Imports & Exports (Advance Licensing Section), Udyog Bhavan, New Delhi. Such applications

should be made in the prescribed form as given in Appendix 4 (Annexure XVI) and should be accompanied by the following :—

- (a) Documents mentioned in sub-para (2) above.
- (b) A statement indicating the particulars (Number, date, value, endproduct and major raw materials covered) of the actual user licences/Release Orders obtained by the applicant during 1975-76.
- (c) The fob value of exports and the goods exported, year-wise, in the previous three financial years.
- (d) Particulars of the export obligation, if any, imposed on the applicant under Capital Goods licence or industrial licence or approval of foreign collaboration.
- (e) Particulars of the arrangement, if any, already made for the exports of products for the manufacture of which the raw materials is sought to be imported. (Also indicate whether the import is proposed to be made against a Customs Clearance Permit or an import licence with Exchange Control Copy, and whether the manufacture will be undertaken in customs bond or otherwise).

Imprest licences to exporters of Gem Jewellery

124. A special Scheme has been introduced for the grant of impost licences to exporters of Gem & Jewellery. Applications under this Scheme will be made to the regional licensing authorities. The main features of the Scheme are as under :—

- (i) During 1976-77, an exporter can apply for Imprest licences for a total value not exceeding the value of advance and REP licences release orders (excluding advance licences under the DTC Schemes) obtained by the exporter during the period 1975-76, the exporter will not be required to produce any export order for this;
- (ii) At a time, the exporter will not be entitled to a licence for a value more than 50% of the entitlement worked out under (i) above 20 per cent of this value will be allowed only by Release Order on MMTC and balance for direct import.
- (iii) The second Imprest licence will be issued only after the export obligation against the first licence has been discharged.
- (iv) The export obligation will be worked out by taking 65% as the rate of import replenishment. If the actual exports made are of higher carat realisation, the export obligation will get reduced proportionately in accordance with the import replenishment percentage of the goods exported;
- (v) The exporter will as usual give a bank guarantee for 50% of the value of the import

licence in discharge of the export obligation. The period for fulfilment of export obligation shall be 3 months from the date of clearance/allotment of the first consignment. The licensing authority may accept a legal undertaking in lieu of bank guarantee in cases where the value of the licence is Rs. 5 lakhs or above and the applicant has been exporting Gem and Jewellery during the last three years.

- (vi) The existing provision of advance licensing under DTC Scheme and other advance licences will also continue but an exporter will not be entitled to an advance licence other than DTC if at the time of grant of such licence the export obligation any Imprest licence is outstanding; applications for advance licences should be made to CCI&E, New Delhi giving adequate justification; and
- (vii) The Scheme of Imprest licence will apply only to import of rough diamonds. For other items i.e. Emeralds, Rubies, Sapphires, Pearls and Semi-precious stones etc., the existing provisions of advance licensing only will apply and application shall lie with the CCI&E, New Delhi.

Advance releases/licensing to producers for production of colour feature films in 35 mm.

125. (1) Requests for advance allocation of colour raw stock imported by the Film Finance Corporation, Bombay from General Currency Area, and for import licences for other requisites, will be entertained from producers intending to produce colour feature films for exports. Such requests will be dealt with on the following basis :—

(i) *First stage*.—In the first stage, allocations upto the limits indicated below will be made on an undertaking being furnished by the applicant producer to the concerned licensing authority that the allocation/licences will be utilised for production of a colour feature film which he would export. The FOB value of export obligation will be equal to 200 per cent of the C.I.F. value of imports allowed in the first stage. This undertaking will be in the form of a bond supported by bank guarantee as in sub-para (2) below. This bank guarantee and the export obligation will be in addition to the export obligation/bank guarantee to be furnished by the applicant under sub-para (ii) below :

Release of colour negative	60 Rolls,
Release of colour positive	80 Rolls.
Import licence for make-up materials	Rs. 5000/-
Import licence for Photo-graphic Paper (colour) and chemicals required	Rs. 1500/- (Licence for Rs. 5000/- only will be issued during the first stage: licences for the balance amount will be issued after half of the negative of the film has been completed).

If a producer desires to have more raw stock in the 'first stage' than indicated above, he will have to undertake an additional export obligation (supported

by bond and bank guarantee) equal to 200 per cent of the c.i.f. value of such additional stock released, over and above the amount of obligation arising from the release in the second stage.

(ii) *Second stage*.—The release of colour positive will be made on the following conditions :—

Further releases of colour positive will be made on the basis of a bond supported by bank guarantee to be furnished by the applicant-producer to the licensing authority concerned, undertaking to export the exposed film and to realise therefrom and surrender to the Indian Exchange Control proceeds on f.o.b. basis, to the extent of 200 per cent of the positive raw stock released in the 'second stage'. This export obligation will be in addition, to the obligation at 200 per cent of the total c.i.f. price of the raw stock etc. licence allowed in the 'first stage' whichever is higher.

(2) The amount of bank guarantee to be furnished will be 25% of the f.o.b. value of the export obligation, and the bank guarantee should be valid up to a period of at least one year after the last date fixed for the fulfilment of export obligation.

(3) The period of fulfilment of export obligation will be two years from the date of the first release of raw stock under the 'second stage'. When the producer does not avail himself of any release under the 'second stage', the period of fulfilment of the original undertaking furnished by him for allocation under; first-stage' would be two years from the date of the undertaking.

Advance allocation of raw stock to merchant-exporters

(4) Requests from merchant-exporters for advance release of colour positive imported by the Film Finance Corporation, Bombay from the G.C.A. for production of "extra prints" for export, will be considered on merits subject to the applicant undertaking to export exposed prints and to realise therefrom and surrender to the Indian Exchange Control, proceeds on f.o.b. basis to the extent of 200 per cent of the c.i.f. value of the release made.

(ii) In the case of advance releases of colour positive for extra prints, the amount of bank guarantee will be 25% of the value of the export obligation.

(5) For non-fulfilment of the export obligation the, provision of para 122(15) will apply mutatis mutandis.

(6) Applications for advance releases/licenses under these provisions should be made through the Film Finance Corporation, Bombay.

(7) The release of raw stock for additional prints will be made only after production of censorship certificate by the applicant.

Procedure for Registration of Contracts

126. (1) A scheme has been introduced providing for certain benefits under the import policy for Registered Exporters in respect of exports made in execution of registered contracts. The details of the scheme and the contracts qualifying for registration, are given in the relevant Import Trade Control Policy (Volume II). Exporters claiming benefits of the scheme should have their contracts registered in accordance with the prescribed procedure.

(2) The contracts in question, should be got registered with authorised dealers in foreign exchanges i.e. the banks through which the relevant export documents are negotiated (subject to the provisions made in para 57, Par 'B' Red Book—Vol-II (within a period of 45 days from the date of the signing of the contract. The registered exporter should produce the original contract in the proforma appearing in Appendix 4 (Annexure XVII). The abstract should indicate the date of the contract and latter's stamp.

(3) The authorised dealer in foreign exchange, i.e. the bank concerned will register the contract in its records and make the following endorsement on the original and both the copies of the contract :—

"This contract has been registered with us and entered in our records under registration No. dated The date of the contract has been verified to be....."

Signature

Stamp of the bank"

(4) The bank will return the original export contract to the exporter and forward one copy bearing endorsement of registration, to the licensing authority within whose jurisdiction the exporter is situated, within 30 days of the date of registration. The second copy of the contract will be retained by the bank for its own records. The exporter shall also send intimation about the registration of the contract to the licensing authority concerned within 30 days of the date of registration.

(5) Only such contracts will be acceptable for registration which are firm contracts (final offer and acceptance) between the overseas buyer and the registered exporter, and clearly indicate all the relevant particulars such as 'overseas buyers' name and address, descriptions of the products to be exported total value of the contract, details of delivery schedule, terms of payment and other relevant particulars. For the purpose of determining the date of contract, the date on which all the terms and conditions have been finally settled, will be taken as the crucial date of contract. For this purpose, a firm contract will also include a firm export order which gives all the required particulars indicated above. If there is a telegraphic/Telex offer and acceptance giving all the required particulars, it may also be registered with the bank provided it is accompanied by post confirmatory copy.

(6) If there are any variations/modifications in the delivery schedule of the export product as given originally in the contract, subsequent to its finalisation, the registered exporter should produce necessary documentary evidence along with the original contract to the bank concerned. The bank will thereupon send an intimation to the licensing authority concerned, in continuation of the earlier communication with which a copy of the contract was forwarded.

(7) In the event of the cancellation of the contract, the registered exporter should within 15 days, request the bank concerned for cancellation of the registration of the contract. The bank should, in turn, send the necessary intimation to this effect to the licensing authority concerned.

Ad hoc licences to consultancy firms

127. Applications for the grant of ad-hoc licences in favour of consultancy firms may be made by such firms in the prescribed form as given in Appendix 4 (Annexure XVIII) to the regional licensing authorities concerned.

Machinery Items (machinery, jigs, tools, equipments, instruments etc.)

127A. Requests for grant of import licences for machinery items, etc. according to the provision of the import policy for registered exporters may be made in the prescribed form as in Appendix 4 (Annexure XIX). The following procedure should be followed by the applicants while applying for import of machinery etc. permissible to them under paragraph 45(i) to (viii) of Part 'B' in Section I of Import Policy Book (Vol. II) :—

- (a) Applications should be made in the form appearing in Appendix-4 (Annexure XIX). No applications fees will be required to be paid in respect of such applications.
- (b) Applications should be addressed to the regional licensing authority under whose jurisdiction the applicant is situated for the purpose of licensing under the import policy for Registered Exporters.
- (c) The DGTD units should send their applications through the DGTD, New Delhi (Export Promotion Cell) also mentioning therein the name of the concerned regional licensing office. The DGTD will forward the application to the regional licensing authority concerned with their recommendation after scrutinising the application both in regard to essentiality for import and indigenous angle and an intimation to this effect will be sent to the applicant. Based on such intimation, and within six months thereof, the applicant will be required to approach the licensing authority for the grant of import licence for plant and machinery etc. against import entitlements under the import policy for registered Exporters as permissible under paragraph 45 of Part 'B' in Section I of Import Policy Book (Vol. II). While approaching the licensing authority, the applicant will be required to give particulars of the import licences issued to him under the import policy for Registered Exporters or of Import applications made by him under the import policy for Registered Exporters, against which the plant and machinery etc. as permissible under the provisions of the import policy for Registered exporters, is sought to be imported.
- (d) The units other than those borne on the books of the DGTD including the small scale units, should make their applications through the sponsoring authorities concerned. The sponsoring authority will scrutinise the application from the essentiality angle and forward the same with its recommendation to the DGTD, New Delhi (Export Promotion Cell). The DGTD will scrutinise the application from indigenous angle and forward it

to the regional licensing authority concerned, with its comments. Thereafter, the procedure as indicated in (c) above will be applicable to these cases.

- (e) In cases where the applications for import of jigs, tools, instruments etc. will be considered without the recommendation of the sponsoring authority and without indigenous clearance as indicated in sub-para 45(iii) in Part 'B', the applicants should apply direct to the licensing authorities concerned giving particulars of the import licences against which the items are sought to be imported.
- (f) In cases covered by sub-para 45(vii) in Part 'B' applications may be made direct to the licensing authorities concerned if the items sought to be imported are permitted for import under the policy in force. In respect of other items, such applications should be made through the DGTD, New Delhi (Export Promotion Cell). The DGTD will scrutinise the applications from indigenous angle and forward the same to the regional licensing authority concerned with its comments. Thereafter, the procedure as indicated in (c) above will be applicable to these cases.
- (g) In respect of applications for import of machinery exceeding Rs. 15 lakhs in value, the applicant has to follow the advertisement procedure as laid down in para 137 of this Book. The value limit of Rs. 15 lakhs up to which no advertisement is required is exclusive of the value of machinery listed in Appendix 80 of the Red Book (Vol. I) for April 1976-March 1977.
- (h) In respect of jigs, tools, testing instruments and machinery etc. permitted under para 45, Part 'B', Section I of the Red Book (Vol II) for 1976-77, the applicant may either ask for a separate licence for these items against his REP entitlement or for endorsement for the import of these items upto the permissible limit on the REP licence issued to him for import of raw materials and components

Additional items

128. The proforma for recommending additional item of import in terms of the import policy for Registered Exporters is given in Appendix 4 (Annexure XX).

128A. Provisions regarding the following matters are contained elsewhere in this book :—

Miscellaneous

- (i) Period of validity of the licence.
- (ii) Flexibility in the use of licences.
- (iii) Issue of letters of authority.
- (iv) Issue of replacement licences.
- (v) Changes in the name, constitution or ownership of the concern.
- (vi) Appeals against the decision of the licensing authority.
- (vii) All other matters not specifically dealt with in these provisions.

CHAPTER VI

IMPORT LICENSING OF CAPITAL GOODS. HEAVY ELECTRICAL PLANT AND MACHINE TOOLS

(A)—CAPITAL GOODS SCHEME

Definition

129. (1) "Capital Goods", as envisaged in this scheme, comprise such items of Plant and Machinery as are required for new installations, or replacements or for the expansion of existing projects or subsidiaries thereof.

(2) Broadly speaking, the C. G. Scheme applies to the following goods classified under Parts II, III, V and VI of the old I.T.C. Schedule as detailed below :—

PART II(a) S. No. 36—All goods included in S. Nos. 36(1), 36(2), 36(3), 36(4) and 36(5).

(b) S. No. 37(1)—All jute and Hemp textile machinery covered by this S. No. comprising principally :—

- (i) Grey Winding Frames.
- (ii) Colour Winding Frames.
- (iii) Ordinary Warping Machines with Creels.
- (iv) High Speed Warping Machines with Cone Creels.
- (v) High Speed Cone Winders.
- (vi) High Speed Bobbin Winders.
- (vii) Sizing Machines.
- (viii) Drawing in frames, looms, tape looms, sewing thread ball making machines, cumbl finishing machinery.

(c) S. No. 37(2)—Component parts of machinery covered by S. No. 37(1).

PART III(a).—All textiles machinery and plant and component parts thereof (other than cotton textile machinery) of the following description :—

- (i) S. No. 4—All goods included in S. Nos. 4 (1), 4(2), 4(3), 4(4) and 4(5).
- (ii) S. No. 5(1)—Looms, tape looms, wool carding machines, wool spinning machines, silk looms, silk throwing and reeling Machines, silk twisting machines.

(b) All cotton textile machinery and plant and hosiery knitting machinery and spares and component parts thereof of the description given in Appendix 20 to this book falling under S. No. 4, 5 and 6 of the Part III.

PART V.—All goods included in S. Nos. 65(1), 65(2), 65(3), 65(4) and 65(5).

PART VI.—All items included therein.

Cases requiring industrial licences or registration with D.G.T.D.

130. (1) Applicants for the import of capital goods required for the expansion of industrial undertakings

or for the setting up of new industrial establishments for the manufacture of any items mentioned in the First Schedule to the Industries (Development & Regulation) Act, 1951, as amended, should first apply to the Ministry of Industry and Civil Supplies, New Delhi, for a licence under the Act for the proposed expansion/installation of the undertaking in question. In cases where an industrial licence is necessary, the import licence for capital goods will be issued, if otherwise admissible, only after an industrial licence has been obtained by the applicant. In such cases the application for import of capital goods will not even be entertained before the applicant has obtained a Letter of Intent from the Ministry of Industry and Civil Supplies New Delhi.

(2) In terms of Government Notifications No. IDRA/29/B/70/ dated 19th February, 1970, and No. IDRA/29B/70/3 dated 28th February, 1970, certain types of industries have been exempted from obtaining an industrial licence under the Industries (Development and Regulation) Act. In terms of the policy announced covering such units in the said Notifications, and also in terms of any further Public Notices that may be issued in this regard applications for import of capital goods may be made to the Chief Controller of Imports and Exports indicating inter-alia that the total investment and total "capital goods" import requirements and also requirements of imported raw materials for the full project after implementation, would be within the limits specified for industrial units exempted from provisions of licensing under the Industries (Development and Regulation) Act. A declaration in regard to the above may also be submitted together with the capital goods import application, in order to facilitate speedy examination.

(3) All applications for capital goods imports must be accompanied by a photostat copy of the Industrial Licence/Registration certificate (as may be applicable). Parties who hold valid Letters of Intent (which have not yet been converted into licences under the Industrial Act) may also apply for import of Capital Goods with photostat copies of the Letters of Intent held by them so that their import applications may be processed, but in their case, import licences would issue only after the Letters of Intent held by them have been converted into valid Industries Act licences.

(4) In cases where foreign collaboration is involved, the import application for capital Goods should be accompanied by a photostat copy of the letter containing approval of foreign collaboration terms issued to the applicant.

Applications for Capital Goods

131. (1) With a view to expediting the disposal of applications for import licences for Capital Goods, a separate division exists in the office of the Chief Controller of Imports and Exports, New Delhi.

(2) (a) Applications for import licence for Capital Goods should be made, in quadruplicate in the prescribed application form 'E' (CG) given in this book, together with 7 copies of the list of goods proposed to be imported.

(b) The applications should be accompanied by (i) I.V.C. Registration/Exemption Number, and a photostat copy of the IVC number valid for the licensing period in which the import application is made, if the applicant does not have I.V.C. number valid for the period in which the application is made he should produce a photostat copy of the earlier I.V.C. Number held by him (ii) Treasury Receipt towards the payment of requisite application fee on the value applied for, (iii) any other document/information considered necessary or required in terms of the policy in force.

DGTD Units

(3) Applications for a value below Rs. 10 lakhs for imports from countries other than Rupee Payment countries or below Rs. 20 lakhs for imports from Rupee Payment countries, should be made direct to the Chief Controller of Imports and Exports (CG Cell), Udyog Bhavan, New Delhi-11. Such applications need not be made to the DGTD.

(4) Applications for a value in excess of the value limits indicated in Sub-para (3) above should be made direct to the Secretariat for Industrial Approvals (Central Receipt and Despatch Section), Ministry of Industry and Civil Supplies, Udyog Bhavan, New Delhi-11.

Small Scale Industrial Units

(5) Applications of a value not exceeding Rs. Rs. 25,000 (or not exceeding Rs. 50,000/- from Rupee Payment or UK credit) should be made direct to the regional licensing authorities concerned. Such applications need not be made through the sponsoring authorities. In respect of such applications, indigenous clearance from the DGTD will not be necessary.

(6) Applications of a value exceeding Rs. 25,000 (or exceeding Rs. 50,000/- for import from Rupee Payment Area or UK credit) should be made direct to the Chief Controller of Imports & Exports (CG Cell), Udyog Bhavan, New Delhi-11. Such applications need not be made through the sponsoring authorities.

Textile, Jute Hemp & Rope, Coal, Quarries and Tea Industries—both in the large and small scale sectors.

(7) Applications of a value not exceeding Rs. 25,000 (or not exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit in the case of SSI Units) should be made direct to the regional licensing authorities concerned, the Joint Chief Controller of Imports and Exports Bombay, in the case of textile industry and the Joint Chief Controller of Imports & Exports, Calcutta, in the case of other industries mentioned above. Such applications need not be made through the sponsoring authorities.

(8) Applications of a value exceeding Rs. 25,000 (or exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit in the case of SSI Units) but

below Rs. 10 lakhs for imports from countries other than Rupee Payment countries and below Rs. 20 lakhs for imports from Rupee Payment countries should be made direct to the Chief Controller of Imports & Exports (CG Cell) Udyog, Bhavan, New Delhi-11. Such applications need not be made through the sponsoring authorities.

(9) Applications of a value in excess of the value limits indicated in sub-para (8) above should be made direct to the Secretariat for Industrial Approvals (Central Receipt and Despatch Section), Ministry of Industry and Civil Supplies Udyog Bhavan, New Delhi-11.

Industries other than (DGTD Units, SSI Units and Textile etc. referred to above.)

(10) Applications of a value not exceeding Rs. 25,000 should be made direct to the regional licensing authorities concerned. Such applications need not be made through the sponsoring authorities.

(11) Applications of a value exceeding Rs. 25,000 should be made direct to the Chief Controller of Imports & Exports (CG Cell), Udyog Bhavan, New Delhi-11, provided that the value of such applications is below Rs. 10 lakhs for imports from countries other than Rupee Payment countries and below Rs. 20 lakhs for imports from Rupee Payment countries. Such applications need not be made through the sponsoring authorities.

(12) Applications of a value in excess of value limits indicated in sub-para (11) above should be made direct to the Secretariat for Industrial Approvals (Central Receipt and Despatch Section), Ministry of Industry and Civil Supplies, Udyog Bhavan, New Delhi-11. Such applications need not be made through the sponsoring authorities.

Export Oriented Industries

(13) Applications of export-oriented industries referred to in paragraph 145 of this Chapter should be made direct to the Secretariat for Industrial Approval (Central Receipt & Despatch Section), Ministry of Industry and Civil Supplies Udyog Bhavan New Delhi-11, and not to the Ministry of Commerce (Export Production).

Import of Mining Equipment

(14) Applications for import of mining equipment (other than coal mining equipment) from mining industry should be made direct to the Chief Controller of Imports and Exports. (CG Cell) New Delhi, provided that the value of such applications is below Rs. 10 lakhs for imports from countries other than Rupee Payment Countries and below Rs. 20 lakhs for imports from Rupee Payment Countries. Such applications need not be made through the sponsoring authorities.

(15) Applications of a value in excess of value limits indicated in sub-para (14) above should be made direct to the Secretariat for Industrial Approvals (Central Receipt and Despatch Section), Ministry of Industry and Civil Supplies, Udyog Bhavan, New Delhi-11.

Such applications need not be made through the sponsoring authorities.

Garment making industry

(16) Applications of a value not exceeding Rs. 25,000 (or not exceeding Rs. 50,000 for import from Rupee Payment Area/UK Credit in the case of SSI Units), should be made direct to the Joint Chief Controller of Imports and Exports, Bombay. Such applications need not be made through the sponsoring authorities.

(17) Applications of a value exceeding Rs. 25,000 (or exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit in the case of SSI Units) should be made direct to the Chief Controller of Imports & Exports (CG Cell), Udyog Bhavan, New Delhi-11, provided that the value of such applications is below Rs. 10 lakhs for imports from countries other than Rupee Payment countries and below Rs. 20 lakhs for imports from Rupee Payment countries. Such applications need not be made through the sponsoring authorities.

(18) Applications of a value in excess of value limits indicated in sub-para (17) above should be made direct to the Secretariat for Industrial Approvals (Central Receipt & Despatch Section), Ministry of Industry and Civil Supplies, Udyog Bhavan, New Delhi-11. Such applications need not be made through the sponsoring authorities.

Import of Instruments etc.

(19) The procedure as indicated in the foregoing sub-para for submission of applications for import of machinery will also apply to applications for import of instruments. Testing Machine, Testing Equipment, Weighing Machine, Laboratory Equipment, Tools and Tackles.

Procedure for processing of applications for Capital Goods

DGTD Units

132(1) In the case of applications for import of Capital Goods received direct by the Chief Controller of Imports & Exports (CG Cell), the following procedure will be followed :—

- (i) After registration in the office of Chief Controller of Imports & Exports (CG Cell) the applications will be referred to the DGTD for their recommendations regarding essentiality for import and clearance from indigenous angle;
- (ii) These applications will be scrutinised by the DGTD from the point of view of essentiality for imports. If the DGTD does not consider the import essential, he will forward the application to the Chief Controller of Imports & Exports recommending rejection;
- (iii) If the DGTD consider the import essential, he will scrutinise the item applied for from the indigenous angle. In case, all the items sought to be imported, are available from

indigenous sources, the DGTD will again forward the application to the Chief Controller of Imports & Exports, recommending rejection, indicating the names of indigenous manufacturers in respect of items not already covered by the Hand Book of Indigenous Manufacturers.

- (iv) Where the DGTD consider the import essential and the items applied for are not available from indigenous sources, the applications will be forwarded to the Chief Controller of Imports & Exports with his recommendations for the grant of a licence in respect of items considered essential and not available indigenously. While forwarding the application to the Chief Controller of Imports & Exports with a recommendation the DGTD will also send therewith five copies of the lists of goods recommending for import including one copy duly attested by him.
- (v) Applications will be considered further based on the recommendations of the DGTD in terms of the import policy in force and subject to the availability of foreign exchange; and
- (vi) In respect of applications of a value not exceeding Rs. 25,000 the DGTD will also indicate in his recommendation the mode of financing against which import is recommended.

(2) Applications received direct by the Secretariat for Industrial Approvals, if complete in all respects, will be forwarded to the DGTD, for their comments on essentiality of import and indigenous clearance. The recommendations of the DGTD will be considered further by the CG Main Committee in terms of the Import Policy in force and subject to the availability of foreign exchange. The Secretariat for Industrial Approvals will forward these applications with the decision of the CG Main Committee to the Chief Controller of Imports and Exports (CG Cell) New Delhi for further processing.

Small Scale Units

(3) Small Scale Units for value not exceeding Rs. 25,000 (or not exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit). In respect of Import applications for Capital Goods from Small Scale Units for value not exceeding Rs. 25,000/ (or not exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit), the following procedure will be followed :—

- (i) The licensing authority will forward one copy of the application to the sponsoring authority concerned for his recommendation regarding essentiality for import and indigenous clearance. The sponsoring authority will also examine the application from indigenous angle without reference to DGTD), and

- (ii) The applications will be considered further by the licensing authority based on the recommendation of the sponsoring authority in terms of the import policy in force and subject to the availability of monetary ceiling.

(4) Small Scale Units for value exceeding Rs. 25,000 (or exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit). In respect of import applications for Capital Goods from Small Scale Units for value exceeding Rs. 25,000 (or exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit the following procedure will be followed :—

- (i) The Chief Controller of Imports & Exports (CG Cell), after registering the application, will forward a copy thereof to the sponsoring authority concerned for his recommendation regarding essentiality for import;
- (ii) Indigenous clearance in respect of the machinery sought to be imported will be obtained by the Chief Controller of Imports & Exports (CG Cell) from DGTD; and
- (iii) Applications will be considered further by the Chief Controller of Imports & Exports, on the recommendations of the sponsoring authority and the DGTD in terms of the import policy in force and subject to the availability of foreign exchange.

Textile, Jute, Hemp & Rope, Coal, Quarries and Tea Industries both in the Large & Small Scale Sector

(5) Applications of a value not exceeding Rs. 25,000 (or not exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit in the case of SSI Units) will be processed in the same manner as indicated in sub-para (3) above. However, in the case of non-SSI units, a copy of the application will be sent by the licensing authority to the DGTD (Coordination Cell), Udyog Bhavan, New Delhi, for their recommendation from indigenous angle in respect of machineries sought to be imported except in cases where the items sought to be imported are mentioned in Appendix 80 to the Red Book (Volume I) for 1976-77.

(6) Applications of a value exceeding Rs. 25,000 (or exceeding Rs. 50,000/- for import from Rupee Payment Area/UK Credit in the case of SSI Units and received direct by the Chief Controller of Imports & Exports, New Delhi will be processed in the same manner as indicated in sub-para (4) above.

(7) Applications received direct by the Secretariat for Industrial Approvals may be processed in the same manner as indicated in sub-para (2) above.

Industries other than (DGTD Units, SSI Units and Textile etc.)

(8) Applications of a value not exceeding Rs. 25,000 will be processed in the same manner as indicated in sub-para (3) above. However, in the case of non-SSI units, a copy of the application will be sent by the licensing authority to the DGTD (Coordination Cell), Udyog Bhavan, New Delhi, for their recommendation from indigenous angle in respect of machineries sought to be imported, except in cases

where the items sought to be imported are mentioned in Appendix 80 to the Red Book (Volume I) for 1976-77.

(9) Applications of a value exceeding Rs. 25,000 and received direct by the Chief Controller of Imports & Exports, New Delhi, will be processed in the same manner as indicated in sub-para (4) above.

(10) Applications received direct by the Secretariat for Industrial Approvals may be processed in the same manner as indicated in sub-para (2) above.

Import of Mining Equipment

(11) Applications received direct by the Chief Controller of Imports & Exports will be processed as under :—

- (i) The CCI&E (CG Cell) after registering the application, will forward a copy thereof to the Department of Mines & Metals for their recommendation regarding essentiality for import.
- (ii) Indigenous clearance in respect of the machinery sought to be imported will be obtained by the CCI&E (CG Cell) from DGTD.
- (iii) Applications will be considered further by the Chief Controller of Imports and Exports, on the recommendations of the sponsoring authority and the DGTD in terms of the import policy in force and subject to the availability of foreign exchange.

(12) Applications for import of mining equipment (other than coal mining equipment) from mining industry received direct by the Secretariat for Industrial Approvals, if complete in all respects, will be forwarded to the Department of Mines and Metals/DGTD for their recommendations in regard to essentiality and indigenous clearance. The recommendations of the Department of Mines and Metals and DGTD will be considered further by the C.G. Main Committee in terms of the import policy in force and subject to the availability of foreign exchange. Thereafter these applications will be forwarded to the Chief Controller of Imports and Exports (CG Cell), New Delhi for further processing.

Garment making machinery

(13) In respect of import applications for import of machinery of a value not exceeding Rs. 25,000 (or not exceeding Rs. 50,000/- for import from Rupee Payment Area/UK credit in the case of SSI Units) the following procedure will be followed :—

- (i) The licensing authority will forward one copy of the application to the sponsoring authority concerned for his recommendation regarding essentiality for import. Another copy will be sent by the licensing authority to the Textile Commissioner Bombay or to the DGTD (Coordination Cell), Udyog Bhavan, New Delhi, as the case may, for their recommendation from indigenous angle in respect of the machinery sought to be imported except in cases where the items sought to be imported are mentioned in Ap-

pendix 80 to Red Book (Vol-1) for 19/6-77; (In the case of SSI Units, the examination from indigenous angle will also be made by the sponsoring authority without reference to DGTD); and

- (ii) The applications will be considered further by the licensing authority based on the recommendation of the sponsoring authority/comments of the DGTD/Textile Commissioner, in terms of the import policy in force and subject to the availability of foreign exchange.

(14) Applications for import of machinery of a value exceeding Rs. 25,000 (or exceeding Rs. 50,000/- for import from Rupee Payment Area/UK credit in the case of SSI Units) and received direct by the Chief Controller of Imports & Exports (C.G. Cell), the following procedure will be followed :—

- (i) The Chief Controller of Imports & Exports (C.G. Cell), after registering the application, will forward a copy thereof to the sponsoring authority concerned for his recommendation regarding essentiality for import;
- (ii) Indigenous clearance in respect of the machinery sought to be imported will be obtained by the Chief Controller of Imports & Exports (C.G. Cell), from DGTD or the Textile Commissioner, as the case may be; and
- (iii) Applications will be considered further by the Chief Controller of Imports & Exports, on the recommendations of the sponsoring authority and the DGTD/Textile Commissioner, in terms of the import policy in force and subject to the availability of foreign exchange.

(15) Applications received direct by the Secretariat for Industrial Approvals, if complete in all respects, will be forwarded to the DGTD/Textile Commissioner, for their comments on essentiality of import and indigenous clearance. The recommendations of the DGTD/Textile Commissioner will be considered further by the CG Main Committee in terms of the import policy in force and subject to the availability of foreign exchange. The Secretariat for Industrial Approvals will forward these applications with the decision of the CG Main Committee to the Chief Controller of Imports and Exports (C.G. Cell) New Delhi for further processing.

Applications for amendment of C.G. licences

(16) Applications for minor amendments should be sent by the licensee direct to the licensing authority concerned. Where an amendment in value or description of goods is sought to be made, the application should be made through the DGTD in the case of units borne on his list, and through the sponsoring authority concerned in the case of other units. Applications for an increase in value not more than 10 per cent of the original value of the licence may be made direct to the licensing authority concerned.

Import of instruments etc.

133. Import of instruments, testing machines and

testing equipment, weighing machine, laboratory equipment, tools and tackles.—Applications from actual users for the import of instruments, testing machines, weighing machines, laboratory equipment, tools and tackles, etc. will be considered by the licensing authorities in the same manner as those for the import of capital goods.

134. *Intimation to licensing authority regarding utilisation of licences for import of capital goods/heavy electrical plant.*—(1) Import licences for capital goods/heavy electrical plant will be issued subject to the following condition in addition to any other condition(s) as may be imposed on or applicable to such licences :—

“It is also a condition of this licence that a half yearly return in the attached proforma shall be furnished by the licensee to the Director of Statistics, Office of the Chief Controller of Imports and Exports, New Delhi, indicating the progress in utilisation of the licence by way of orders placed/letters of credit opened, actual imports and remittances made against the licence as on 28th February and 31st August each year, together with expected dates of future shipments. The return for each half year shall be furnished within a period of 15 days from the close of the half year as indicated.”

The proforma in which the licensee will be required to furnish the half yearly returns is given in Appendix 22 to this book.

(2) The import licences for capital goods/heavy electrical plant will also be subject to the following conditions *inter alia* :—

- (i) The goods imported under this licence will be utilised in the licence holder's factory for which the imports have been approved and no portion thereof will be sold or transferred or permitted to be utilised by any other party or pledged with any financier other than banks authorised to deal in the foreign exchange and State Finance Corporation, provided that the particulars of the goods to be pledged are reported by the licensee in advance to the licensing authority.
- (ii) The goods covered by this licence shall be used only for the manufacture of..... [Name of end-products(s) and for the capacity licensed under the Industries (Dev. Reg.) Act, 1951 or approved by Government].
- (iii) The import of spare parts against this licence shall be governed by the provisions of paragraph 151 of the Import Trade Control Hand Book of Rules & Procedure in force at the time of shipment of the goods.

(3) Import licence for Capital Goods will be issued for c.i.f. value but the licensing authorities will endorse the licence indicating separate amounts in respect of (i) f.o.b. value of equipment, (ii) freight and (iii) insurance. It shall be a condition of the licence that the amount paid in respect of each of these shall

not exceed the amount as specified in the licence or the actual amount charged, whichever is lower.

135. *Submission of full particulars and description of capital goods.*—(1) Applicants are requested to give full particulars and description of the plant required. Importers of such items of machinery and plant as are manufactured within the country with reasonable performance and delivery periods will be required to make it clear to their foreign suppliers at the outset that they (foreign suppliers) will be required to give a guarantee in regard to the performance of the equipment in question notwithstanding the fact that a part of the plant (which will, of course, be of proved efficiency) may have to be purchased from indigenous sources.

(2) Applicants should also furnish with their import applications, the following, namely :—

- (i) Attested or photostat proforma invoice, in duplicate, in support of the c.i.f. value of the equipment applied for, or other satisfactory and acceptable evidence in support of the c.i.f. price. The proforma invoice or other evidence produced in this regard should indicate separately the amount to be incurred on account of (i) freight and (ii) insurance, as included in the c.i.f. price declared by the applicant in his import application.
- (ii) Detailed list of the equipment with a break-up of the individual c.i.f. value of each major item, and
- (iii) Manufacturer's illustrated descriptive pamphlets, wherever available, giving detailed specifications for ascertaining whether the plant is available indigenously or could be fabricated within the country.

(3) Applicants are also advised to inform the foreign suppliers, particularly where imports are sought owing to inordinately delayed delivery periods quoted by indigenous equipment manufacturers, that they would have to adhere to delivery dates promised and that the import licences (granted under such circumstances) may not be further revalidated except with penalties to be paid by importers, against which the latter may also cover themselves with penal provisions for delayed delivery.

(4) While recommending the application for import of capital goods, the sponsoring authority should also give full justification for certifying essentiality for import. The recommendation of the sponsoring authority should be recorded in Part III of the application.

(5) In cases where import of capital goods is cleared from indigenous angle on the condition that for the balance equipment orders should be placed with the indigenous manufacturers of machinery, capital goods import licence will be issued only after the applicant has placed firm orders with the indigenous manufacturers and documentary evidence to that effect is produced to licensing authority.

(6) An existing or a new unit should make only one application in a year for import of Capital Goods

required for setting up a new industrial unit or for expansion/diversification programmes.

(7) An existing unit applying for import of machinery for replacement, balancing or modernisation can make one application in a half year. However, the applications to meet emergency situations like breakdown or in response to a specific foreign credit may be entertained at any time.

Important hints to applicants of capital goods

136. (1) It is of utmost importance that :—

- (a) Applicants for import licences for capital goods should clearly specify the country or countries from which imports are to be made. It is not enough to indicate a currency area in vague terms.
- (b) Applicants should indicate alternative sources of supply so that, in the event of they being given an import licence against credits available to the Government they would be in a position to find any of the alternative indicated.
- (c) Applicants should clearly indicate whether in the event of they being given an import licence against credits available to the Government they would be in a position to find the rupee resources to take advantage of the licence.
- (d) No column of the application should be left blank.

(2) Applicants who would like to approach financing institutions referred to in para. 143(b) below for foreign exchange loans for importing machinery and capital equipment should mention this specifically against column 5.2 of the application for import of capital goods (Form 'E'). In such cases, a special procedure will be followed for processing the import application. In such cases a quick scrutiny will be made by the D.G.T.D. with a view to ensuring that the imports asked for are broadly in conformity with the manufacturing scheme and do not include items which are ordinarily not allowed to be imported. On the basis of such scrutiny the application will be further processed, and if approved in principle, the applicant will be informed that he may negotiate with the financial institution(s) for foreign exchange loan up to a specified amount. The final list of goods will however, have to be scrutinized in the usual manner by the D.G.T.D. after the firm has applied to the institution(s) in the prescribed form and manner; and the loan amount as well as the import licence will be based on the value of imports agreed to by D.G.T.D.

Advertisement to be made by applicants

(Notice to Indigenous manufacturers)

137. (1) As a step towards import substitution, it has been decided that applicants whose requirement in respect of capital goods or machine tools exceeds Rs. 7.5 lakhs in value, should advertise their requirements in the manner stated below, so that the indigenous manufacturers have an opportunity of offering

to supply the goods in question. The value limit of Rs. 7.5 lakhs is exclusive of the value of machinery listed in Appendix 80 of the ITC Policy (Red Book-Vol-I).

(2) The advertisement should indicate, *inter-alia*, full specifications, make, model and other detailed particulars of the machinery or equipment or machine tools etc., sought to be imported, the desired period of delivery and other relevant information. It should be specifically indicated in the advertisement whether the drawings in respect of the required machinery or equipment, etc., would be provided.

(3) The advertisement should be published either in the Indian Trade Journal (as display advertisement) issued by the Director General of Commercial Intelligence and Statistics, 1, Council House Street, Calcutta or in Indian Export Service Bulletin, issued by the Director, Commercial Publicity, Ministry of Commerce, Udyog Bhawan, New Delhi. All communications in regard to the publication of the display advertisement in the Indian Trade Journal should be addressed to the Manager of Publications, Civil Lines, Delhi-6 or to the Depot in charge, Government of India Book Depot, 8, K. S. Roy Road, Calcutta-1.

All payments for the publication of the advertisement in question should be made in advance to either of these authorities to whom the communication ought to be addressed. The payment in this behalf should preferably be made by a bank draft or cash, as payment through cheques can be entertained only after the encashment of the cheques, thereby causing delay. The advertisements in question, appearing in the Indian Trade Journal or the Indian Export Service Bulletin, will be serially numbered.

(4) The indigenous manufacturers should be given a time limit of 45 days to respond to the advertisement.

(5) The indigenous manufacturers who are in the position to meet the requirements in response to the advertisement, should send their reply to the applicant within 45 days of the advertisement, with a copy thereof, under registered cover, to the Directorate General of Technical Development, New Delhi (Co-ordination Section). At the top of the reply, the Serial Number of the advertisement as appearing in the Indian Trade Journal should be quoted to facilitate proper referencing. In their reply, the indigenous manufacturers should mention the specifications and particulars of the goods which they are in a position to supply, the period of delivery, prices and other relevant terms. If the indigenous manufacturers are not in a position to supply any item in the required specifications but they can supply suitable substitutes thereof, the full specifications of such substitutes should be given in the reply along with other relevant particulars.

(6) Industrial undertakings whether in the public or private sector which have imported machinery lying surplus with them and are, therefore, in a position to meet the requirements in response to the advertisement, should also inform the applicant within 45 days of the advertisement, with a copy thereof, under registered cover, to the Directorate-General of Technical Development, New Delhi (Co-ordination Section)

in the same manner as indicated in sub-paragraph 5 above. In their reply, full particulars of the machinery, its c.i.f. price and sale price demanded, age of the machinery and other relevant terms should be mentioned. It should also be mentioned whether the machinery, in question, is lying un-used or has been used, and if so, for how long; the present condition of the machinery should be clearly described. If the machinery in question had been imported against a licence, the particulars of the licence should be indicated.

(7) The failure to respond to the advertisement on the part of those who are in a position to meet the demand, will lead to under-utilisation of existing capacity and to avoidable imports. Indigenous manufacturers, both in the public and private sectors are advised in their own interest to respond in the prescribed manner to the advertisements in respect of goods which they are in a position to supply.

(8) After 45 days of the advertisement, the intending importer may apply for an import licence for the machinery or equipment or machine tools, in question. If the import application is not made within three months after the expiry of 45 days from the date of advertisement, the advertisement already made may no longer remain valid, and the applicant may have to advertise again in the manner indicated in this paragraph, in case he seeks to import the goods in question.

(9) In the import application, the applicant should state the date of advertisement, and attach thereto a tabular statement of responses received to the advertisement, and also indicate in clear terms the responses which are acceptable to the applicant. The import application should be made only in respect of goods for which no response has been received from the indigenous manufacturers or the response received is not suitable to the applicant for the reasons to be indicated in the tabular statement referred to above. The applicant should also send with his import application two copies of the advertisement.

(10) Applications for import of capital goods or machine tools in respect of which the advertisement procedure contained in this paragraph is not followed or in respect of which the advertisement does not contain detailed particulars of the machinery sought to be imported, will be liable to be rejected.

(11) In the case of applications for import of textile, jute, hemp and rope, quarries, coal, mining (other than coal) and tea machineries, the indigenous manufacturers should send their reply to the advertisement to the sponsoring authority concerned (in place of the D.G.T.D.).

(12) Advertisement procedure will not apply to the import of machinery required for research and development purposes by Research & Development Institutions and laboratories.

(13) Advertisement procedure will also not apply to the import of machinery mentioned in Appendix 80 to the Red Book (Vol I) for 1975-77.

Note :—For any guidance in this regard, the applicant may contact the Development Officer concerned in the DGTD.

Import of second-hand machinery

138. Applications for import of second-hand or reconditioned machinery should always be accompanied by a certificate by a firm of consulting engineers in the country of origin, indicating the age of the machinery, its present condition and expected life. If possible, a photograph of the machinery proposed to be imported should be furnished.

139. Clearance in principle for the entire requirement of foreign exchange to be obtained at the time of initial application.—It is important that importers secure clearance in principle for the entire requirements of foreign exchange for setting up a new plant or completing as substantial expansion, at the time of initial application. Failure to comply with this requirement will hinder the provision of the necessary foreign exchange and may result in rejection of applications. After a clearance in principle has been secured, there is no objection to import applications being submitted in instalments as and when licences are required.

140. Import of textile machinery other than for jute and hemp.—Importers of textile machinery, other than the jute and hemp may note that :—

- (i) Applications for 'productive machinery' as indicated in Appendix 20 will be entertained from applicants who are not consumers or promoters having approved programme.
- (ii) Applications for 'non-productive machinery' will not be entertained from applicants other than the actual users.
- (iii) Applications for hosiery and knitting machines will be considered from Actual Users in terms of the policy laid down in the relevant Import Trade Control Policy Book.

141. Exceptions.—An exception to the above broad principles of licensing of Capital Goods is, however, made in the case of :—

- (a) Complete Ring Frames;
- (b) Spare parts of Ring Frames, including spinning spindles, fluted roller and tin rollers;
- (c) Power looms;
- (d) Carding Engines;
- (e) Certain accessories and millstores required by cotton textile industry.

The licensing policy in respect of these items is announced in the Import Trade Control Policy Book; or by separate Public Notices issued from time to time.

142. Machinery for stock and sale not licensed under Capital Goods Scheme.—The C.G. Scheme is applicable to the import of machinery and plant required for industrial manufacturing or processing units. Applications for the import of machinery for stock and sale will not be licensed under the Capital Goods Scheme. Similarly, import of construction machinery will also not be covered by this scheme.

143. As a rule, applications for import licences for substantial values of plant and machinery which are

required for the setting up of new projects or for substantial expansion will be considered only against one or more of the following acceptable means of financing :—

- (a) Long term foreign investment in the capital of the project;
- (b) Foreign exchange loans for the project from the Industrial Credit and Investment Corporation of India, Bombay and the Industrial Finance Corporation, New Delhi;
- (c) Long term foreign exchange loans from financing institutions abroad, as approved and announced from time to time;
- (d) Imports financed by the National Small Industries Corporation of India, New Delhi, under their hire-purchase scheme for small scale industries;
- (e) Loans to the Government of India from foreign governments or financial institutions against which cash licences can be granted; and
- (f) Trade and Payments agreements between the Government of India and foreign countries against which cash licences can

144. Applications for import licences will be considered having due regard to the priority of the schemes and the method of financing proposed. As a rule, the source of financing the imports will be limited to the alternatives indicated in paragraph 143 above. If the scheme is not considered to be of sufficient priority and/or if funds available with the Government cannot be allocated, import applications in respect of such schemes will be rejected.

Import of Capital Goods by export-oriented units

145. (1) Applications for the import of capital goods, equipment, dies, jigs and tools required by exporting units will be given high priority and will be considered for allocation of preferred sources of foreign exchange for import on the recommendation of the Ministry of Commerce out of a special allocation of foreign exchange to be made for this purpose. The import of capital goods will be permitted for the expansion, modernisation, diversification of production facilities as well as for research and development, with a view to accelerating the exports. The import of such machinery, etc., required by the exporting units to manufacture quality products so as to bring up their product designs and packing standards to international levels will also be considered. These special facilities are intended to assist manufacturers with a good export performance, so that they may be enabled to further intensify their export drive.

(2) Exporter manufacturers exporting normally not less than 10 per cent of their production and intending to take advantage of these special facilities for export production should address their applications for licences to the Secretariat for Industrial Approval (Control Receipt and Despatch Section), Ministry of Industry and Civil Supply, Udyog Bhawan, New Delhi-11 in the prescribed form 'E' (CG) Part

I & II along with the requisite application fee and other documents required for the import of capital goods. In such cases, details of export performance and other relevant information should be given by the applicant in the prescribed proforma which has been added for this purpose as Part II of the application form 'E'.

(3) Applicants should carefully check that the application is complete in all respects and is supported by a certificate of the export promotion council concerned, regarding export performance of the applicant both in terms of f.o.b. value and quantity of the exported product as well as the production figures. The applicant should also follow the advertisement procedure as laid down in paragraph 137 above, in cases where the value of capital goods applied for is Rs. 7.5 lakhs and above.

(4) The Secretariat for Industrial Approvals, will process the import applications and forward them to the Chief Controller of Imports and Exports, (C.G. cell), New Delhi, with their recommendations. The Chief Controller of Imports and Exports will deal with the applications on the basis of such recommendations.

(5) *Export conditions on C.G. Licences.*—(a) Applications for import of capital goods may also be considered subject to export conditions. The conditions may be decided in each case, requiring the licensee to export goods of a specified description, value/quantity within a specified time limit, subject to such other conditions as may be prescribed. Exports to Sikkim and Bhutan will not qualify for redemption of export obligation as also exports to Afghanistan and Nepal if made otherwise than in free foreign exchange.

(b) A licence issued for import of capital goods with an export obligation will be subject to the condition, *inter-alia*, that the licensee shall execute a bond/legally acceptable agreement in regard to the fulfilment of prescribed export performance. The bond/legal agreement should be supported by a bank guarantee for an amount equal in value to the annual obligation of exports. In lieu of a bank guarantee the licensing authority may also accept the legal agreement executed by the licensee, to the effect that in the event of his inability or failure to export directly, the goods in accordance with the prescribed export obligation, he shall hand over to the State Trading Corporation or such other agency as the Government (including the CCI&E, New Delhi) may nominate, equal to the difference between the stipulated annual commitment/obligation and actual exports, and in addition pay to the nominated agency a specified amount by way of liquidated damages. The form in which the licensees will be required to give the legal agreement appears in Appendix 35. It may be clarified that the bond/legal agreement may be executed by the licensee, either with the regional licensing authority under whose territorial jurisdiction the licensee is situated or with the licensing authority at the port of clearance of the goods to be imported against the licence. The licensee should intimate to the licensing authority issuing the C.G. licence the name of the licensing office where he will execute the bond/legal agreement to enable the licensing authority to incorporate the name of that office in the export condition imposed on the C.G. licence.

(c) A special cell known as "Export Obligation Cell" has been set up in the office of the Chief Controller of Imports and Exports, New Delhi, to co-ordinate follow-up action in cases where capital goods import licences, Industrial licences or approvals to foreign collaborations are issued subject to export conditions. The manufacturing units concerned will be required to furnish periodical returns to the Chief Controller of Imports and Exports, Udyog Bhavan, New Delhi (Export Obligation Cell) indicating their export performance in the form and manner as may be prescribed by the Chief Controller of Imports and Exports. Such returns shall be in addition to the returns which the unit will be required to furnish to the regional licensing authorities in pursuance of the bond/legal agreement, and to the administrative Ministries concerned.

(d) The performance of manufacturing units which are granted capital goods import licences, or Industrial licences under the Industries (Development & Regulation) Act, 1951, or approvals to foreign collaboration arrangements, subject to export conditions, will be reviewed by an Inter-Ministerial Committee under the chairmanship of the Chief Controller of Imports & Exports, New Delhi, and having a representative of the concerned Ministries and departments and the S.T.C. as members.

(6) The exports made by manufacturers in fulfilment of the export obligation from 1st April, 1970 will be eligible for the grant of import replenishment licences in accordance with the import policy for registered Exporters, subject to such conditions, or restrictions as may be stipulated in this regard.

(7) Where an industrial unit is allowed imported machinery subject to an export obligation and a direct import licence for import of machinery is not issued to the unit but the machinery is obtained through National Small Industries Corporation or any other similar agency, the export bond/legal agreement for fulfilment of the export obligation in such a case shall be executed by the unit before it obtains machinery from NSIC etc. The import licence issued to the NSIC etc. in such cases will bear a suitable condition to this effect.

Negotiations for loans

146. *Negotiations of loans by importers with foreign financing institutions require prior approval in principle of Government.*—Direct negotiations of loan by importers with foreign financing institutions require the prior approval in principle of Government. Such requests should be addressed to the administrative Ministry concerned or to the Chief Controller of Imports and Exports (Capital Goods Division), New Delhi, indicating the value of the equipment, the purpose for which it will be imported, the proposed country or countries of import, the value of imported raw materials/components that will be required annually after going into production, and the particulars of the manufacturing licence, if any, under the Industries (Development and Regulation) Act that may be held for the project.

Imports against free resources

147. *Imports against free resources on cash or deferred payment basis.*—When the outlay on

imported plant and equipment in relatively small, and is likely to be covered by savings or earnings of foreign exchange (having due regard to the existing level of imports/exports) as a result of the implementation of the scheme within a period of three years, it may be possible to consider applications, to a limited extent, for licensing against free resources on cash basis, or on deferred payment basis. In general, Government do not propose to encourage import on short or medium term suppliers' credit, and deferred payment arrangements will only be considered in exceptional cases when the Government are satisfied that the savings of foreign exchange resulting from the output of the plant and machinery proposed to be imported will be more than sufficient to meet the payment liability. Similarly, such arrangements may be approved if there is a satisfactory guarantee for the exports of goods for the production of which the plant is to be imported.

148. *Special form for issue of licences for Capital Goods.*—Licences issued for Capital Goods will bear the distinct mark "CG" and will be issued in special Form to distinguish them for other import licences.

149. *Importers to study carefully the conditions attached to import licences particularly when issued against loan programmes.*—Importers are advised to study carefully the conditions attached to or applicable to import licences particularly when these are issued against loan programmes. Non-compliance with the conditions endorsed on licences will render the licence invalid.

150. Importers of machinery items are advised to satisfy themselves that the machinery sought to be imported satisfies the conditions laid down in the Factories Act and Rules framed thereunder, or similar rules in force in the country of origin of the machinery.

Imports of Spares

151. (i) If a licence has been issued for import of capital goods (machinery and equipment) and the words, 'spare parts' have not been mentioned in the description of goods given in the licence, nor a list of spares has been attached to the licence, it will be open to the licence holder to import spare parts to the extent of 10 per cent of the value of the licence, within the value of the licence, subject to the condition that the import of spare parts specifically shown as non-permissible in the relevant import policy in force shall not be allowed. The licensee shall import only those spare parts as are required for maintenance of the machinery covered by the licence in question;

(ii) If a licence has been issued for the import of capital goods (machinery and equipment) and in the description of goods given in the licence, the words 'spare parts' have also been mentioned but no list of spare parts has been attached to the licence, it will be open to the licence holder to import spare parts against the said licence in the same manner and to the same extent as indicated in sub-para (i) above.

(iii) if a licence has been issued for the import of capital goods (machinery and equipment) and spare parts, and a list of spare parts has been attached to the licence, but the value of spare parts has not been

indicated in the list it will be open to the licence holder to import spare parts appearing in the list, but the value of the spare parts so imported shall not exceed 10 per cent of the value of the licence, within the overall value of the licence;

(iv) if a licence has been issued for the import of capital goods (machinery and equipment) and spare parts, a list of spare parts is attached to the licence, and the list of spares also indicates the value allowed, it will be open to the licence holder to import the spare parts appearing in the list and for the value of spare parts so indicated, within the overall value of the licence; and

(v) within the overall value limit specified for import of spare parts in sub-para (i) and (ii) above, a licence holder can also import accessories, ancillary equipment and auxiliaries required for maintenance of the main machinery or for use with the main machinery in the licence holders' factory. The licence holder can also import these accessories etc. for an additional amount not exceeding 5% of the value of licence within the overall value of the licence.

152. *Validity period of licences.* (1) The initial validity period of CG licences will be 24 months from the date of its issue subject to the condition that the licensee shall be required to place firm order for the import of machinery on the foreign supplier within six months from the date of the issue of licence. If the licensee fails to place firm order on the foreign supplier within the stipulated period of six months, the customs will not allow clearance of the machinery unless the licensing authority for extension in the period of placement of orders beyond six months by a specific endorsement on the licence itself. Therefore, if a licensee fails to place firm order on the foreign supplier within six months, the goods against the licence should not be imported. In such cases the licensee may approach the licensing authority for extension in the period of placement of firm order. The licensing authority will consider such requests on merits if the said authority is satisfied that the licensee was unable to place firm order within the stipulated period of six months for valid reasons and that a refusal to grant further time for placing firm order will cause genuine hardship. It may be clarified that the order on the foreign supplier for import of spare parts under para 151 above can be placed within the initial validity period of the licence.

(2) In the case of CG licence issued against a foreign credit, the initial period of validity will be 24 months or the terminal date of the relevant credit whichever is earlier. Such licences shall also be subject to the condition that firm order for the import of machinery will be placed on the foreign supplier within six months from the date of the issue of licence or within the period stipulated in the conditions of the relevant credit for the placement of firm order whichever is earlier.

(3) The procedure for revalidation of C.G. licences is laid down in Chapter XI of this book.

Procedure for clearance of applications of enterprises in Santa Cruz Export Processing Zone for imports of capital goods.

153. (1) Applications for import of capital goods by industrial units situated in Export Processing Zone,

Santa Cruz, Bombay should be made to the Member Secretary, Santa Cruz EPZ Board, Ministry of Commerce, Udyog Bhawan, New Delhi, irrespective of the value involved.

(2) The procedure for advertisement is not applicable in respect of such applications.

(3) Applications will be considered by Santa Cruz Export Processing Zone Board, New Delhi, for allowing imports from out of the foreign exchange allocation placed at its disposal.

(4) Applications approved by the Board will be forwarded by Member-Secretary of Export Processing Zone Board to the Dy. Development Commissioner (Imports and Exports) Santa Cruz Electronics Export Processing Zone, Bombay, for issue of import licences subject to such conditions as may be stipulated by the Board.

(5) The licensing authority will, in each case, intimate the number, date and value of the import licence to the Member-Secretary, EPZ Board and the Development Commissioner of the Zone.

(6) Applications for revalidation of CG licences should be made to the Member Secretary of the Board, who will issue necessary instruction to licensing authority.

Procedure for clearance of applications of enterprises in Kandla Free Trade Zone for import of capital goods

(1) Application for import of capital goods by an industrial unit situated in KAFTZ should be made in Form 'E' to the Member-Secretary KAFTZ Board, Ministry of Commerce, Udyog Bhawan, New Delhi irrespective of the value involved.

(2) The procedure for obtaining indigenous clearance and the procedure of advertisement is not applicable in respect of such applications.

(3) Applications will be considered by KAFTZ Board, New Delhi, for allowing imports from out of the foreign exchange allocation placed at its disposal.

(4) Applications approved by the Board will be forwarded by Member-Secretary to KAFTZ Board to the Controller of Imports & Exports, KAFTZ, Gandhidham for issue of import licence subject to such conditions as may be stipulated by the Board.

(5) The Controller of Imports & Exports, KAFTZ, Gandhidham, will in each case, intimate the number, date and value of the import licence to the Member-Secretary, KAFTZ Board and the Development Commissioner, KAFTZ, Gandhidham.

(6) Applications for revalidation of CG licences should be made to the Member-Secretary of the Board, who will issue necessary instructions to the Controller of Imports and Exports, KAFTZ, Gandhidham.

Imports of capital goods for development and research activities :

154. (1) Industrial firms, Scientific & Industrial Research Foundations, units or individuals applying

for research and development imports will be required to establish with the Department of Science & Technology, Government of India, New Delhi that they have a well-defined programme for research and development with specific objectives. They will also be required to satisfy the sponsoring/licensing authority that the equipment sought to be imported is essential for their programme.

(2) Applications for import of capital goods for research organisations proposed to be set up or already established by industrial firms, Scientific & Industrial Research Foundations or individuals for conduct of research in the areas of their direct interest or industrial operation, specialised research projects or pilot plants should be made to the Chief Controller of Imports & Exports, Udyog Bhawan, New Delhi, through the Department of Science & Technology, New Delhi.

(3) Applications should be made in the prescribed form 'E' (CG) supported by treasury challan of the required amount towards application fees and other documents/information required in terms of the policy in force.

(4) The advertisement procedure is not applicable in such cases.

Special facilities for Indians returning from/residing abroad.

155. (1) Applications for import of machinery including research equipment and equipment for quality control and testing and raw materials will be considered on a liberal basis from industrial units to be set up by Indian nationals returning from/residing abroad. In such cases :—

- (a) Machinery upto a value of Rs. 25 lakhs may be allowed to be imported provided it is purchased within the applicant's foreign exchange earnings abroad and he furnishes a proper account of his holdings to the Reserve Bank of India. The concession to allow machinery under this provision shall not be available for certain manufacturing operations as specified in Import Trade Control Policy (Red Book—Vol. I).
- (b) The machinery to be imported is required for setting up an industrial unit in which the applicant has a substantial financial interest of not less than 51 per cent.
- (c) Request for permission to sell the machinery shall not be entertained for a period of 5 years.
- (d) Permissible raw material and components for meeting the requirements of one year may also be allowed to be imported, subject to a maximum of Rs. five lakhs in value purchased out of the applicant's foreign exchange earning abroad.

(2) Import applications should be made in the prescribed Form "E" to the Chief Controller of Imports & Exports (Special Cell) New Delhi. It should be accompanied by documents as prescribed in the Import Trade Control Policy (Red Book-Vol. I).

(3) These facilities shall be subject to such conditions as may be specified in the Import Trade Control Policy (Red Book-Vol. I).

(B) SCHEME FOR LICENSING HEAVY ELECTRICAL PLANT

156. *Scope of the Scheme.*—(1) The Scheme extends to electrical plant and machinery as well as cognate equipment and materials essential for power plant (either for generation or transformation of electric power) required for factories. This scheme, however, does not apply to such electric equipment as is required by domestic consumers, industrial concerns or laboratories for purposes other than specific electric power projects.

(2) The scheme applies to the following S. Nos. of the old I.T.C. schedule subject to the condition that the value of the goods for any single project or group of connected projects, required to be imported, is not less than Rs. 25,000 (f.o.b.)—

Part II.—Serial Nos. 33A, 33B, 34, 36, 38, 40, 42, 43, 45, 46A and 48.

Part III—Serial No. 4.

Part V.—Serial No. 65.

(3) The advertisement procedure laid down in paragraph 137, as applicable to import of Capital Goods will also apply to import of Heavy Electrical Plant & Machinery.

Submission of applications

(4) Applications for Heavy Electrical Plant should be made in the application form prescribed in this book. Applicants requiring H.E.P. licences should as far as possible consolidate their requirements and submit the applications, in triplicate, to the Chief Controller of Imports and Exports (C.G. Division), New Delhi, through the Central Water and Power Commission (Power Wing), Government of India.

(5) The applications should be accompanied by (i) I.V.C. Registration/Exemption number, and a photostat copy of the I.V.C. Number as stated in sub para 131 (2) (b) above, (ii) treasury receipt towards the payment of requisite application fee, and (iii) any other document/information considered necessary or required in terms of the policy in force.

Special form for issue of licences

157. Licences for Heavy Electrical Plant will bear the distinctive mark 'H.E.P.' and will be issued in the same special form as in the case of licences for Capital Goods.

Validity period of licences

158. The initial period of validity and procedure for extension of H.E.P. licences will be the same as in the case of licences for capital goods as indicated in paragraph 152 above.

159. With regard to revalidation and amendment of c.i.f. value of H.E.P. licences, the applicants are

advised that requests for such amendments and revalidation may be routed through the Central Water and Power Commission to the Chief Controller of Imports and Exports (C. G. Division).

(C) MACHINE TOOLS

Procedure in respect of machine tools

160. The rules and procedure applicable to capital goods as set-out in earlier paragraphs will also apply to machine tools.

Submission of applications

161. (1) The procedure of submission of application of import of machine tools will be the same as for import of capital goods.

(2) The applications should be accompanied by (i) I.V.C. Registration/Exemption number, and a photostat copy of the I.V.C. number as stated in sub-para 131 (2) (b) above, (ii) Treasury Receipt showing the payment of the requisite amount of application fee, and (iii) any other information/document considered necessary or required in terms of the policy in force.

(3) All actual users should include their requirements for import of spares of Machine Tools in their applications for other spare parts.

162. Import licences will not normally be granted to actual users for machine tools which are manufactured in India. For the list of such machine tools, the actual users should consult the relevant Import Trade Control Policy Book.

Full description of the machine tools to be furnished

163. All applications should contain, as far as possible full description of the machine tools desired to be imported, together with the c.i.f. value of each item separately. Descriptive catalogues, if available, should also be sent along with the application.

Permissible types of Machine Tools

164. For the permissible types of machine tools, importer should consult the Import Trade Control Policy Book for the relevant period.

Licences to meet specific orders placed by D.G.S. & D. etc.

165. Licences will continue to be granted to meet specific orders placed by the Director General of Supplies and Disposals, Government Railways and N.S.I.C. (Pvt.) Ltd. The applications for licences should be made to the Chief Controller of Imports and Exports, New Delhi.

Validity of Licence

166. The period of validity of import licences for machine tools will be as indicated in Chapter XI of this book.

Import of second-hand Machine Tools

167. Applications from Actual Users for import of second-hand machine tools must be accompanied by

a Chartered Engineers' certificate bringing out the following informations :—

- (i) Full specification of the second-hand machine tools, maker's name for the machine and price of the machine or similar machine if brought new.
- (ii) Year of make.
- (iii) Name of the firm which carried out reconditioning/repairs, if any, and nature of repairs carried out.
- (iv) Present conditions and expected life subject to normal care and maintenance and use within its designed capacity.
- (v) Professional standing of the Chartered Engineer who should normally be an independent party having nothing to do with the firm selling the second-hand machine.
- (vi) Photograph of the machine if available.

Requests for issue of import licences for second-hand machine tools would also be considered, on merits, in consultation with the Development Officer (Tools).

Condition applicable to licences for machine tools

168. Import licences for machine tools will be issued subject to the following condition in addition to any other condition(s) imposed or deemed to have been imposed on the licence under Clause 5 of the Imports (Control) Order, 1955, as amended :—

"This licence is issued subject to the condition that the particulars of goods, i.e., machine tools, imported under it shall be furnished by the licensee to the Customs authorities in the prescribed proforma alongwith the bill of entry or other documents of import at the time of clearance of goods".

The proforma prescribed for this purpose is given in Appendix 23.

Import of printing machinery

169. (1) Applications for import of printing machinery will be considered from actual users.

(2) Applications from printers should be made to the Chief Controller of Imports and Exports, New Delhi. The applicant should also indicate therein whether the machinery sought to be imported is required for replacement or development purposes and whether the applicant is a quality printer or not.

(3) Applications for import of printing machinery from units engaged in industrial production should also be made to the Chief Controller of Imports and Exports, New Delhi, applications should be made in form 'E'. (CG).

(4) Under these provisions, applications for import licences will be considered from actual users for the import of rotaries and custom-built specific purpose printing machinery. The 'custom built machines' are those which are specially built/manufactured to a particular specification and design to suit the requirements of an actual user. They are broadly of

one unit combination designed and made to order, have their own identity and are meant to do specialised type of work involving one or more operation which cannot normally be done by machines built to standard specifications available in the market. Examples of such machines are Currency Printing Machines, combining different processes and methods of printing such as letter press, offset and photogravure flexographic printing machines for the production of paper bags which have printing and linings on the inner side, machines for printing special forms, challans, delivery notes, etc., in duplicates, triplicates and quadruplicates each in different colours of paper, cotton and reel ticket printing machines, machines designed for paper lined aluminium foil printing for packing different sizes required by pharmaceutical firms.

(5) The actual users requiring other types of printing machines of rupee area origin may contact the State Trading Corporation of India, New Delhi, or apply for direct import. The S.T.C. has been authorised to comply with the orders for machines other than (i) Automatic Cylinder Printing Machines, (ii) Paper Folding Machines, and (iii) Thread Sewing Machines, and not exceeding the c.i.f. value of Rs. 65,000/- (post-devaluation) provided :

- (a) that no actual user is supplied with more than one machine during the course of a year;
- (b) that no actual user is allowed to sell the machine acquired from the S.T.C. without the prior approval of the Chief Controller of Imports and Exports, New Delhi;
- (c) that request for a second unit of the same machine from the same actual user will be referred to the Chief Controller of Imports and Exports, New Delhi, for instructions; and
- (d) that the orders on the S.T.C. for the supply of machine from printing establishments should be duly supported by recommendations of the sponsoring authority concerned.

(6) The machines of the types, namely, (i) Automatic Cylinder Printing Machines, (ii) Paper Folding Machines, and (iii) Thread Sewing Machines, and those valued at more than Rs. 65,000/- c.i.f. (post-devaluation), will be supplied by the S.T.C. to actual users with the prior approval of the Chief Controller of Imports and Exports, New Delhi.

(7) The advertisement procedure as laid down in paragraph 137 will also apply to import of printing machinery of a value exceeding Rs. 7.5 lakhs. Indigenous manufacturers who are in a position to meet the requirements in response to the advertisement, should send their reply to the applicant within the prescribed time with a copy thereof, under registered cover, to the Chief Controller of Imports & Exports (N.P. Cell) Udyog Bhawan, New Delhi.

(8) Applications for import of printing machinery from News paper establishments should be made to the Chief Controller of Imports & Exports through the Registrar of Newspapers for India.

Import of Garage and workshop machinery

170. Applications for import of garage and workshop machinery will be considered from actual users. Such applications should be made to the Chief Controller of Imports and Exports, New Delhi, through the State Directors of Industries. The applications should be made in form 'E'. The sponsoring authority will record his recommendation in the application form; and will also indicate therein whether the machinery sought to be imported is required for replacement purposes. The applicant should also indicate the country from which the equipment is sought to be imported.

Import of Studio Equipment

171. Applications for import of studio equipment will be considered from film studios. The applications should be made in form 'B' and addressed to the Chief Controller of Imports and Exports, New Delhi. The applicant should also indicate the country from which the equipment is sought to be imported.

Units engaged in chemical analysis and testing

172. Applications for import of construction machinery will be considered from construction agencies. The applications should be made in form 'E' (CG) and addressed to the Chief Controller of Imports and Exports, New Delhi. The applications should be made through the State Director of Industries who will make his recommendation in consultation with the concerned department of State Government. The applicant should also indicate the country from which the equipment is sought to be imported.

Units engaged in chemical analysis and testing

173. (1) Applications from the units engaged in chemical analysis and testing of the products manufactured by other industrial units, will be considered for the import of essential machinery, machine tools and equipments which are not produced indigenously.

(2) The applications should be made to the regional licensing authorities concerned in the prescribed form

'B', through the State Director of Industries. The Director of Industries should obtain indigenous clearance from the DC (SST), New Delhi, before recommending a licence.

Import of Proto-types

174. The procedure for submission of application for import of proto-types is contained in Chapter IV of this book.

Flexibility allowed for import of items not covered by Capital Goods licences

174. The procedure for submission of applications of industrial projects, it has been decided to allow flexibility to the importers of capital goods in regard to the equipment to be imported within the overall value of the capital goods import licence obtained by them. Under this flexibility, the holders of capital goods import licences can import items of capital goods which are not covered by the existing import licence/ list of goods attached to the licence upto a limit of 5% within the overall value of the licence provided the goods imported are required for use in the licence holders factory and their import is not otherwise banned in terms of the import policy in force. For such import, the licence holder will not be required to obtain any endorsement on his licence from the licensing authority.

(2) The items to be imported under this facility will only consist of items of capital goods, equipments and accessories which are permissible in terms of the import policy in force and are essentially required for the implementation of the project; and shall not include import of raw materials, components and spares. The import of items mentioned in list 'A' of Appendix 35 to the relevant Import Trade Control policy book (Vol-I) will also not be allowed.

(3) This facility will be available to holders of valid Capital Goods import licences.

CHAPTER VII

SPECIAL LICENSING SCHEMES

EQUIPMENTS FOR IRRIGATION PROJECTS

175. (1) The scheme for the import of machinery and equipment required by irrigation projects will apply to import applications of an aggregate value of Rs. 25,000 or more in respect of any project or subsidiary thereof.

(2) Subject to the provisions of sub-para. (1) above, the scheme will apply to the following goods classifiable under Parts I, II and V of the old I.T.C. schedule :—

Part I.—Serial No. 17—Cast iron steel valves and similar controls for Water Works, Irrigation and Hydro-Electric schemes. Serial No. 20—Fabricated gates for dams and barrages.

Part II.—Serial No. 9—Iron and steel articles and controls including cocks and taps for dams and barrages. Serial No. 36—All goods included in serial Nos. 36(1), 36(2), 36(3), 36(4) and 36(5)—required for Irrigation and Hydro-Electric schemes.

Part V.—Serial No. 65—All goods falling under Serial Nos. 65(1), 65(2), 65(3), 65(4) and 65(5) when required for Irrigation Projects. Serial No. 92—Water meters and measuring instruments required for Water Works, Irrigation and Hydro-Electric Projects.

(3) *Form and manner of application.*—The applications for equipments and machinery for irrigation projects will be considered in the same way as the applications for Capital Goods. An applicant should submit one consolidated application in respect of all his requirements instead of making piecemeal applications. The applications should be made in duplicate in the application form prescribed for Capital Goods and Heavy Electrical Plant as given in this book (i.e. Form 'E(CG)', to the Chief Controller of Imports and Exports, New Delhi, through the Central Water and Power Commission, New Delhi.

(4) The application should be accompanied by I.V.C. Registration/Exemption Number, the treasury receipt, showing payment of application fee, seven copies of the list of goods applied for, and any other document relied upon by the applicant or considered necessary in terms of the policy in force. (A project run as a department of Central or State Government is exempt from payment of application fees and production of I.V.C. Registration/Exemption Number).

(5) *Period of validity.*—The period of validity of the licences granted under this scheme has been indicated in Chapter XI of this book.

Government Contracts/Stores ordered by Director General Supplies and Disposals

176. (1) Special arrangements have been made to deal with applications for import licences by persons or firms, etc., to cover goods in respect of which a contract has been placed on them by the Director General of Supplies and Disposals.

(2) *Import Recommendation Certificate.*—In such cases, the applicant should obtain from the appropriate Director of Supplies an Import Recommendation Certificate (IRC) showing *inter alia* :—

- (i) The number and date of the contract.
- (ii) Description of goods.
- (iii) Contractual value of goods.
- (iv) c.i.f. value of goods.
- (v) Expected period of delivery.
- (vi) Name of the Indentor.
- (vii) Reference number and date under which foreign exchange has been released.
- (viii) Source from which foreign exchange is provided and mode of payment.
- (ix) Number and date under which indigenous clearance has been obtained from the D.G.T.D. in respect of the goods sought to be imported.

Note (1) :—It may be clarified that no indigenous clearance will be necessary for the import of goods which are licensable to actual users in terms of the Import Trade Control policy in force at the time of making the application for the licence. In respect of all other items, it will be necessary for the D.G.S. & D. to obtain clearance from the D.G.T.D., before recommending the import.

Note (2) :—The D.G.S. & D. will issue the I.R.C. after all the terms and conditions pertaining to the relevant contract have been finalised and an indication to this effect will be given in the I.R.C.

(3) *Form and manner of application.*—On receipt of the abovementioned certificate, the applicant should make out a single application in respect of each contract, covering all goods under Parts I, II, III, IV and V of the old I.T.C. schedule (other than controlled categories of iron and steel) in the form prescribed for established importers (i.e. form 'A') has given in this book. The words "Established Importers" at the head of the application form should, however, be struck off and replaced by words "D.G.S. & D. CONTRACTS"

in red ink, and clause 7 of the form should also be deleted. The application should be forwarded to the Chief Controller of Imports and Exports (Government Licensing Section), New Delhi, attaching the certificate from the Director of Supplies, in original. The applications for import of Iron and Steel items and Ferro-Alloys, should, however, be forwarded to the Joint Chief Controller of Imports and Exports, (Iron and Steel Division), Calcutta.

(4) The application should be accompanied by I.V.C. Registration/Exemption number, the treasury receipt, showing payment of application fee, five copies of the list of goods sought to be imported and any other document relied upon by the applicant or considered necessary in terms of the policy in force.

(5) *Period of validity.*—The period of validity of the licences issued under these provisions is indicated in Chapter XI of this book.

(6) *No last date for applications.*—The applications will be entertained as and when received during the course of a licensing period.

(7) *Imports against D.G.S.&D. contracts will not qualify for quota.*—Licences issued on the basis of such applications will not deprive the importer of his normal quota entitlement, if any, nor will any benefit be given to him for any imports made under this scheme in calculating the importer's quota.

(8) *Conditions on licences.*—In addition to any other conditions which may be imposed on or applicable to the licences issued under this scheme, the following condition will also be imposed :

"This licence is issued subject to the condition that the goods imported shall be utilised or disposed of in the manner as stipulated in D.G.S. & D. Order No. dated and the imported goods shall not be utilised or disposed of in any other manner, without the prior written approval of the licensing authority."

(9) *Intimation to licensing authority.*—If, for any reasons, the licensee is unable to utilise the imported material for the purpose for which the licence has been issued to him and during the period stipulated in the relevant contract, he shall immediately send the necessary intimation to this effect, in writing, to the licensing authority concerned, stating the circumstances in which the licensee has failed to utilise the goods for the purpose for which the import was allowed. On receipt of such intimation, the licensing authority may consider initiating action under Clause 10-C of the Imports (Control) Order, 1955, as amended, without prejudice to any other action that may be taken against the licensee or any other person in this behalf.

Stores ordered by State Railways

177. (1) Special arrangements have also been made to deal with applications for import licences from persons or firms etc., to cover orders placed on them by State Railways.

(2) *Form and manner of application.*—The applicant should make out a single application in respect of each contract covering all the goods under Parts I, II,

III, IV and V of the old I.T.C. Schedule (other than controlled categories of iron and steel) in the form prescribed for Established Importers (i.e. Form 'A') as given in this book. The words 'Established Importers' at the head of the application form should, however, be struck off and replaced by the words 'Railway Contracts' in red ink, and clause 7 of the form should also be deleted. The application should be forwarded to the Chief Controller of Imports and Exports (Government Licensing Section), through the Railway Liaison Officer, New Delhi. The applications for import of Iron and Steel items and Ferro-Alloys, should, however, be forwarded to the Joint Chief Controller of Imports and Exports, (Iron & Steel Division), Calcutta.

(3) *Recommendation for licence.*—While recommending the import, the Railway authorities should invariably give the following particulars *inter alia* :—

- (i) Railway order number and date.
- (ii) Description of goods sought to be imported.
- (iii) c.i.f. value of the goods.
- (iv) Expected period of delivery.
- (v) Name of the indenter.
- (vi) Reference number and date under which foreign exchange has been released.
- (vii) Source from which foreign exchange is provided and mode of payment.
- (viii) Reference number and date of the D.G.T.D. under which indigenous clearance has been obtained.

Note (1) :—It may be clarified that no indigenous clearance will be necessary for the import of goods which are licensable to actual users in terms of the Import Trade Control policy in force at the time of making the application for the licence. In respect of all other items, it will be necessary for the Railway Liaison Officer to obtain clearance from the D.G.T.D. before recommending the import.

Note (2) :—The Railway authorities will issue a recommendation for the licence after all the terms and conditions pertaining to the relevant contract have been finalised, and an indication to this effect will be given in the recommendation.

(4) The provisions made in sub-para (4), (5), (6) and (7) of paragraph 176 above will also be applicable in the case of Railway contracts.

(5) *Conditions on licences.*—In addition to any other conditions which may be imposed on or applicable to the licences issued under this scheme, the following condition will also be imposed :

"This licence is issued subject to the condition that the goods imported shall be utilised or disposed of in the manner as stipulated in Railway Order No. dated and the imported goods shall not be utilised or disposed of in any other manner without the

prior written approval of the licensing authority.”

(6) The provisions of sub-para (9) of paragraph 176 above, will also apply to licences issued against railway contracts.

Defence Contracts

178. Import applications made by persons or firms, etc., to cover goods in respect of which a contract has been placed on them by the Defence organisation, will also be considered on the basis of Import Recommendation Certificates issued by such organisations. The applications should be addressed to the Chief Controller of Imports and Exports, New Delhi (Government Licensing Section) in the same manner laid down for other Government contracts. The applications for import of Iron and Steel items and Ferro-Alloys should, however be forwarded to the Joint Chief Controller of Imports and Exports, (Iron & Steel Division), Calcutta.

Imports from Afghanistan

179. Imports from Afghanistan are regulated in terms of the trade agreements entered into between the Government of India and Afghanistan from time to time.

Imports from Nepal

180. Imports and exports of goods from and to Nepal are allowed without Import and Export Control restrictions, provided the goods are either the produce of or manufactured in the respective countries, subject to such exceptions and limitations as have been made and are in force, or may be made, hereafter.

Imports from Bangla Desh

181. (1) Imports and exports of goods from and to Bangla Desh will be regulated in terms of the trade arrangements as may be agreed to between the Governments of India and Bangla Desh and announced from time to time.

(2) Imports from and exports to Bangladesh against payment in free foreign exchange will be regulated in accordance with the normal policies and procedures as may be in force from time to time, subject to such exceptions and limitations as have been made and are in force, or may be made hereafter.

Imports by traders in Jammu and Kashmir

182. (1) *Weightage on quota entitlements.*—Established importers in the State of Jammu and Kashmir are, at present, allowed a weightage of 50 per cent over their quota entitlements for permissible items. They are, however, required to (i) bring the goods imported by them into the State of Jammu and Kashmir, (ii) their arrival is reported to the Director of Supplies, Jammu and Kashmir, and (iii) they are not to be put up for sale without physical verification by the Director of Supplies.

(2) Where an established importer is eligible to a minimum value quota licence under the relevant import policy, the weightage in terms of sub-paragraph (1) of this paragraph will be allowed to him on such admissible minimum value.

(3) Where an established importer is not eligible to a minimum value quota licence under the relevant import policy as his quota entitlement works out to Rs. 100 or below, as indicated in sub-paragraph 39 (2) of this book, the weightage in terms of sub-paragraph (1) of this paragraph will be allowed to him on the quota entitlement. In such cases, however, the benefit of weightage will not be repeated on the minimum value quota licence under subpara (2) above.

(4) The established importers will not be eligible to have their quotas refixed on the basis of more favourable imports in the basic period resulting from the weightage of 50 percent allowed to them on their quota entitlement.

(5) Import licences to established importers in Jammu and Kashmir will be issued after the applicant has produced a certificate from the State Director of Supplies that he has fulfilled the conditions in respect of the previous quota licences issued to him, as stated in sub-para (1) above.

Licensing under Trade Arrangements

183. The Government of India have signed Trade Agreements with a number of foreign countries. These Trade Agreements are revised from time to time. In addition to the Trade Agreements, special payments and trade arrangements have also been worked out with respect to some of the countries. Licences under the special payments and trade arrangements with these particular countries are issued from time to time. For particulars, the importers are advised to contact the Chief Controller of Imports and Exports or the Ministry of Commerce, New Delhi.

Import for stock and sale through Co-operatives

184. (1) Applications for import licences for certain selected consumer goods are considered from National Co-operative Consumers Federation, New Delhi, subject to the availability of ceiling.

(2) Applications for licences should be made to the Chief Controller of Imports and Exports, New Delhi, through the Ministry of Agriculture and Irrigation (Department of Co-operation), New Delhi.

(3) Applications should be made in the prescribed form 'B' supported by treasury challan showing payment of application fees, and any other document as may be necessary under the import policy in force.

(4) Import licences issued in such cases will be subject to such conditions regarding distribution or disposal of the imported goods as may be imposed by the licensing authorities.

CHAPTER VIII PUBLIC SECTOR

Part A—Industrial undertakings in the public sector

185. (1) The industrial undertakings in the public sector have been divided into two categories, and the procedure for submission of import applications in respect of each category is different. These two categories are :—

- (i) Industrial undertakings in the public sector excluding industrial undertakings which are run departmentally by Central or a State Government; and
- (ii) Industrial undertakings which are run departmentally by Central or a State Government.

(2) *Direct allotments of imported materials by canalising agencies*—During 1976-77, a new system has been introduced under which actual users will be able to obtain allotments of certain imported materials directly from canalising agencies to cover their requirements for a period not exceeding 12 months, without having to obtain a recommendation from the sponsoring authority or a Release Order from the licensing authority. For this purpose, the actual users will be required to make direct applications for allotments to the canalising agencies concerned in a prescribed form (appearing in Appendix 3) in terms of the import policy contained in Red Book (Volume I). Applications for automatic licences/Release Orders and for supplementary licences/Release Orders made to the licensing authorities should not, therefore, include these raw materials. Also, the statement of consumption etc. to be furnished by actual users with their import applications to the licensing authorities should not include the cif value of consumption of these raw materials. In respect of these raw materials, separate import applications can be made in exceptional cases to the licensing authorities where the canalising agency is unable to supply the material within the time as stipulated in the import policy in force and where necessary evidence to this effect is produced to the satisfaction of the licensing authority. The detailed policy in this regard is contained in Red Book (Volume I).

Import of raw materials, components and spares

A—Industrial undertakings excluding departmentally-run undertakings

186. A list of select industries is given in Appendix 12.

(i) Import of raw materials and components

187. (1) *Applications on consumption basis*.—The Industrial Undertakings in the public sector (excluding undertakings which are run departmentally by the Central or State Government), whether engaged in select or other industries, should make their import applications for materials and components for the grant

of automatic licences, end-product-wise (including related end-products) on the basis of imported raw materials and components consumed by the unit during the previous period in the same manner and subject to the same conditions as have been laid down for the units borne on the books of the DGTD.

(2) Applications for automatic licences for import of raw materials and components should be made direct to the Chief Controller of Imports & Exports, New Delhi, within the last date prescribed for the purpose in the relevant import policy. Applications for automatic licences may be considered having regard to the actual consumption of imported raw materials by the Unit in the previous period and the value of import licences/release orders for raw materials and components obtained by the Unit by the previous period in the same manner as laid down in the relevant import policy in respect of the units borne on the books of the DGTD.

(3) *Form and manner of applications*.—Applications for automatic licences should be made, in duplicate, in the prescribed form 'C-I' or 'C-II' given in this Book, accompanied by :—

- (i) a statement of consumption etc. in the prescribed proforma appearing in Appendix 14. The statement should be certified by a Chartered Accountant/Cost Accountant in practice or internal Auditor of the Company.
- (ii) Treasury/bank receipt showing payment of application fees on the value applied for.
- (iii) the required number of copies of the list of items sought to be imported (the number of copies of the lists of items likely to be required should be calculated by the applicant on the basis of 7 copies for each licence of the set of previous licences issued).
- (iv) any other document/information considered necessary or required in terms of the provisions of this book or the relevant Import Trade Control Policy Book or any other Public Notice/Trade Notice issued in this regard.

(4) *Supplementary licences*.—The Industrial Undertakings in the public sector engaged in select industries and IDA industries (excluding undertakings run departmentally by Central or State Government) may also apply for the grant of supplementary import licences for raw materials and components. The applications for supplementary licences in such cases should be made separately to the Chief Controller of Imports & Exports, New Delhi, through DGTD indicating clearly the reasons for additional requirements of raw materials and components, by furnishing the information regarding production programme, annual requirements of raw materials and components, stock

in hand, expected arrivals, value of automatic licences/release orders obtained or expected to be obtained and the unutilised value of licence/release orders in hand etc. Such applications, should also be accompanied by the consumption certificate in the form appearing in Appendix 14 and should be made in the same form and manner and within the last date prescribed as laid down in the case of DGTD units in the relevant import policy (Red Book—Vol. II). Where the import policy provides for the grant of Supplementary licences to the Unit engaged in industries other than those in the Select List/IDA industries the procedure of submission of such applications will be the same as for select industries.

(ii) *Import of spare parts*

188(1) Separate application for spare parts.—The industrial undertakings in the public sector whether engaged in select or other industries, excluding undertakings which are run departmentally by the Central or State Governments), should make separate import applications for import of spare parts on annual basis.

(2) Applications for import of spare parts should be made direct to the Chief Controller of Import and Exports, New Delhi, in the prescribed form. The application should be supported by a Treasury/Bank receipt towards payment of application fees and particulars of the machinery in the form given at Appendix 13 to this Book duly certified by a Chartered Accountant or an internal Auditor of the Company. Where as application of import of spare parts is made on "repeat" basis in terms of the policy in force the applicant will not be required to furnish the particulars of machinery.

(1) Basis of licensing.—The value of licences for import of spare parts will be calculated on the basis of value of machinery installed as indicated in the relevant Import Trade Control Policy Book (Red Book-Vol. I).

(4) No list of spares.—It will not be necessary for the applicant to furnish a list of spare parts to be imported. Import licence will be valid for the import spare parts (including consumable spare parts) required for the plant, machinery and equipment installed or used in the licence holders factory, including spare parts of ancillary equipment, control and laboratory equipments and safety appliances in accordance with the relevant import policy as laid down in Import Trade Control Policy Book (Red Book—Vol. I).

189(1) Defence Industries in the public sector.—In the case of industrial units under the Ministry of Defence, a different procedure will be followed. Such units should make their import applications for raw materials and components through the administrative Ministry concerned to the Chief Controller of Imports & Exports. The administrative Ministry will examine the applications from the essentiality angle and forward the same, with their recommendation to the DGTD, indicating the specific foreign exchange allocation to cover the import recommended. The DGTD will examine the items sought to be imported with reference to the import policy in force and send the application with their comments to the Chief Controller of Imports & Exports, New Delhi.

(2) Industrial units in the public sector under the Ministry of Defence should also make separate appli-

cations for import of spare parts to the Chief Controller of Imports & Exports through the Ministry of Defence (Dep't. of Defence Production). The Ministry of Defence will examine the application from the essentiality angle and forward the same to the Chief Controller of Imports & Exports with their recommendation indicating the specific allocation of foreign exchange to cover the import recommended. Such application will not be required to be routed through the DGTD.

(3) It will not be necessary for the applicant to furnish a list of spare parts to be imported. The import licence will be valid for import of spare parts in the same manner as laid down in sub-para 188(4) above.

B—Undertakings run departmentally by Central or a State Government

190. *Procedure for submission of applications.*—

(1) Import licences for raw materials, components and spares to industrial undertakings in the public sector run departmentally by Central or a State Government, will be granted against the specific foreign exchange ceiling allocated/released by the Government of India on the basis of clearance given by the D.G.T.D.

(2) Applications for licences may be made by such undertakings to the Chief Controller of Imports and Exports, New Delhi, or to the regional licensing authorities concerned.

(3) The applications should be supported by a letter of the administrative Ministry of the Government of India indicating the sanction for the release of foreign exchange to cover the imports sought to be made. Such letter should also certify in clear terms that clearance from indigenous angle has been obtained from the D.G.T.D., and that the concurrence of the Ministry of Finance (Department of Economic Affairs), Government of India, for expenditure of foreign exchange has been obtained.

(4) The provisions of sub-paragraph 187(3) above will also apply to these undertakings. It may, however, be clarified that a public sector project/undertaking run as a department or an office of the Central Government or a State Government is exempt from the payment of application fees.

191. *Consolidated applications.*—It should be noted that an industrial undertaking should submit a consolidated application for an import licence covering its requirements of raw materials, components as also, spare parts, including spare parts of machine tools for the particular industry to which the application pertains except that the units engaged in the select industries should make a separate application for spare parts. Where an undertaking has to import goods through different agents by obtaining letters of authority in favour of such agents, the application for the licence should be accompanied by separate lists of goods to be imported through each agent. In such cases the applicant can also make separate applications for licences in respect of goods to be imported through different agents.

192. *Processing of applications and basis of licensing.*—(1) In the case of industrial undertaking engaged

in the select industries (other than those run departmentally by Central or a State Government), the import applications will be scrutinized by the D.G.T.D., both from the point of view of essentiality and import policy angles, and import licences will be issued to such units on the recommendations of the D.G.T.D. However, in the case of units under the Ministry of Defence, and the units under the Ministry of Steel and Mines, manufacturing iron and steel, the D.G.T.D. will scrutinize the applications from import policy angle only; and the essentiality for import in such cases will be determined by the administrative Ministry concerned.

(2) In the case of industrial undertakings engaged in industries other than the select industries (excluding those run departmentally by Central or a State Government), the applications will be scrutinized by the D.G.T.D. both from the point of view of essentiality and import policy angle; and import licence will be issued to such units on the recommendation of the D.G.T.D.

(3) In the case of undertakings run departmentally by Central or a State Government, import licences will be issued on the basis of the foreign exchange released by the administrative Ministry and the clearance given by the D.G.T.D.

(4) In the case of units where the DGT.D. will be required to examine the application both from the point of view of essentiality and import policy angle, the recommendation of D.G.T.D. will be forwarded to the Chief Controller of Imports and Exports, New Delhi, alongwith one copy of the application for licence in each case and the treasury challan furnished by the party. The required number of copies of the list of goods recommended for import by the D.G.T.D. including one copy of the list duly attested by them, will also be sent to the Chief Controller of Imports and Exports, New Delhi, alongwith the recommendation in all cases. The D.G.T.D. will also send a copy of their recommendation to the applicant returning to him therewith one copy of the list of the goods applied for, with such changes as may be made by them in the list.

(5) In the case of units where the D.G.T.D. will be required to examine the application only from the import policy angle, the D.G.T.D. will attest one copy of the list of items cleared by them for use in the licensing office. The D.G.T.D. will also send one copy of the list to the applicant with such changes as may be made by them in the list.

(6) *Processing of application in licensing office.*—On receipt of the application and the recommendation from the D.G.T.D./administrative Ministry, whenever such recommendation is required under the relevant policy, the licensing authority will check the treasury challan, and if the application is found to be in order, the licence will be issued or refused, as the case may be, based on the recommendation of the D.G.T.D./administrative Ministry. The value or quantitative limit, if necessary, in respect of any item allowed to be imported, will be imposed by the licensing authority on the basis of the recommendations of the D.G.T.D.

(7) In the case of applications from departmentally-run industrial undertakings, which are not to be sponsored by the D.G.T.D., the licensing authority will

consider the applications on the basis of the foreign exchange release and the clearance obtained by the applicant as indicated in sub-paragraph (3) above.

(8) The licensing authority will issue consolidated licence(s) to each industrial undertakings for the import of raw materials, components and spares except that in the case of units engaged in the select industries, separate licence will be issued for spare parts. However, instead of issuing consolidated licence(s) against a particular application, the licensing authority may issue separate import licences in the following types of cases :—

- (a) Where the goods are sought to be imported by the applicant through different agents on the basis of letters of authority;
- (b) Where the mode of payment is different, such as free foreign exchange, Rupees, etc., and
- (c) Where the goods are to be imported through different ports.

193(1) *Flexibility.*—The flexibility provided to actual users in the utilisation of their import licences for raw materials, components and spares in terms of paragraphs 84 and 85 of this book will also be applicable to the import licences for raw materials, components and spares issued to the industrial undertakings in the public sector.

(2) The facility allowed to actual users in "Select" industries to import non-permissible items against import licences for raw materials and components upto 5% of the value of the licence, as provided in Section 1 of the Red Book (Vol. I) will also be available to similar industries in the public sector, subject to the same conditions/restrictions as laid down.

194. (1) The emergency licence for spares. The facility provided to actual users for grant of emergency licences for import of spare parts will also be available to industrial undertakings in the public sector up to a total value of Rs. 40,000/- in each case during the course of the licensing period. The applications for emergency spares can be made by the undertakings to the regional licensing authority concerned. In each application, the undertaking should indicate the value of emergency spares licences already obtained or applied for during the licensing period.

(2) Industrial undertakings in the public sector may be granted import licences for emergency spares for a value more than Rs. 40,000/- in a licensing period but not exceeding Rs. 2 lakhs in a period. However, the value of such licences issued in excess of Rs. 40,000/- in a licensing period will be adjusted against the value of licences for import of spare parts to be issued to the same unit in the subsequent licensing period.

(3) Applications for import of spare parts may be considered by the licensing authority to enable public sector undertakings to make an after-sales obligations. Value of licence in such case may be determined with in 0.1% of the ex-factory value of production during the last 3 years in respect of machinery, equipments etc which require after sales servicing. Applications under this provision should be made in the manner as indicated in para 100 in Chapter IV of this Book. Such licences shall be subject to the same conditions as laid down in the said para 100.

195. (1) Applications for amendment in the licences.—The applications of amendment in licences should be made by the licensee direct to the licensing authority concerned. Where any change in the description of value of goods is sought, the application for amendment should be made through the Directorate General of Technical Development in the case of undertakings sponsored by the D.G.T.D. In the case of undertakings not sponsored by the D.G.T.D., the application for amendment in value of goods should be made through the administrative Ministry concerned or supported by the same evidence as is necessary for obtaining an import licence.

(2) Applications for revalidation.—The applications for revalidation of licences should also be made direct to the licensing authorities concerned, in the prescribed application form as given in this book. While applying for revalidation of licence issued for the import of goods under Foreign Credit, Loan or other tied resources, it should be clearly indicated whether the date/period upto which revalidation is asked for, falls within the date/period of terminal delivery fixed under the particular Credit, etc.

196. Transfer of imported raw materials/components from one unit to another.—Industrial undertakings in the public sector (multi-unit enterprises) may transfer imported raw materials/components from one industrial unit to another in the same multi-unit organisation, in order to meet their production priorities. Such transfer shall be subject to the condition that the raw materials and components in question shall be used by the transferee unit for production in an industry included in the select list of industries. The unit which transfers such imported raw materials and components should send immediate report of such transfer to the licensing authority which had issued the licence against which the said materials were imported. The report should reach the licensing authority within 15 days from the date of transfer.

197. *Industrial undertaking of State Governments.*—The procedure applicable to the industrial undertakings in the public sector in the preceding paragraphs will also apply to the industrial undertakings of the State Governments.

Import of capital goods (plant and equipment)

198. The public sector projects/undertakings should submit their applications for import of capital goods in the prescribed form (Form 'E') as given in Appendix 3. The applications should be supported by the following :—

- (i) Seven copies of the list of items sought to be imported.
- (ii) A treasury receipt showing the payment of application fee on the value applied for. (It may be clarified that a public sector project/undertaking run as a department or an office of the Central or State Government is exempt from the payment of application fee). And
- (iii) Any other document/information considered necessary or required in terms of the provisions of this book; or the relevant Import Trade Control Policy Book; or any other Public Notice/Trade Notice, issued in this regard.

199. (1) Applications for a value below Rs. 10 lakhs for imports from countries other than Rupee Payment countries or below Rs. 20 lakhs for imports from rupee payment countries should be made direct to the Chief Controller of Imports & Exports (CG Cell), Udyog Bhavan, New Delhi-11. Such applications need not be made through the administrative Ministry concerned or the DGTD.

(2) Applications for a value in excess of the value limits indicated in sub-para (1) above should be made direct to the Secretariat for Industrial Approvals (C.G. Unit), Ministry of Industry & Civil Supplies, Udyog Bhavan, New Delhi-11. Such applications need not be made through the administrative Ministry concerned or the DGTD.

(3) The provisions in sub-paras (1) & (2) above will not apply to the cases relating to new projects/substantial expansions with a total investment cost at Rs. 5 crores and above. In such cases, project authorities will be required to make their applications through the administrative Ministry concerned for allocation of foreign exchange and other clearances.

200. (1) Applications made directly to the CCI&E will be referred to the DGTD for their recommendation regarding essentiality for import and for clearance from indigenous angle.

(2) Such applications will be considered further by the CCI&E based on the recommendation of the DGTD in terms of the import policy in force and subject to the availability of foreign exchange. The applications will be placed before the C.G. Ad hoc Committee for consideration.

201. (1) Applications received direct by the Secretariat for Industrial Approvals, if complete in all respects, will be forwarded to the DGTD/other technical sponsoring authorities concerned for their scrutiny and comments regarding essentiality of import and indigenous clearance. The import applications along with the comments of the DGTD etc. will be considered further by the CG Main Committee in the Ministry of Industry & Civil Supplies in terms of the import policy in force and subject to the availability of foreign exchange. Sources of foreign exchange for the import of capital goods will be allocated by the CG Main Committee.

(2) The Secretariat for Industrial Approvals will forward these applications with the decision of the CG Main Committee to Chief Controller of Imports & Exports (CG Cell), New Delhi for further processing. While forwarding the applications to the CCI&E, the Secretariat for Industrial Approvals will inform the applicant of the decision taken by the CG Main Committee.

202. Manufacturer-exporters in the public sector may also be allowed to import tools, jigs, fixtures, testing instruments/equipments and machinery against their REP entitlements under the import policy for Registered Exporters as laid down in para 45, Part 'B', Section I of the Red Book (Volume II). The procedure for submission of such applications will be the same as laid down in the import policy for Registered Exporters.

203. *Advertisement Procedure.*—Industrial undertakings in the public sector applying for import of capital

goods (plant and equipment) for a value exceeding Rs. 7.5 lakhs (exclusive of the value of machinery mentioned in Appendix 80 to the Red Book—Vol. I for which the advertisement is not necessary) should follow the advertisement procedure laid down in paragraph 137 of this book.

204. *Flexibility allowed for import of items not covered by C.G. licences.*—The provisions made in paragraph 174A of this book regarding the flexibility allowed for import of items not covered by C.G. licences, will also apply to the licences for import of capital goods issued to industrial undertakings in the public sector.

205. *Validity period of C.G. licences.*—Import licences for capital goods will be issued with an initial validity period of 24 months or upto the terminal date of the relevant credit against which the licence has been issued, whichever is earlier. This will be subject to the condition that the firm order on foreign supplier shall be placed within six months. After firm orders have been placed on the foreign supplier, the period of validity will, on request be extended to cover the period of delivery of the goods or upto the terminal date of the relevant credit against which the licence has been used whichever is earlier.

Part B—State Electricity Boards/Projects/Undertakings

(i) *Import of maintenance and operational items of spares and stores*

206. Applications for the import of maintenance and operational items of spares and stores should be made by the State Electricity Boards/Projects/Undertakings in the form 'K' given in Appendix 3. Such applications should be made to the Chief Controller of Imports and Exports, New Delhi or to the regional licensing authority in whose jurisdiction the applicant is situated. In the latter case, the State Electricity Board/Project/Undertaking concerned should send an intimation to the Chief Controller of Imports and Exports, New Delhi (Project Licensing Section), in advance, in the beginning of the licensing period. In such cases, the applications, if any, received by the Chief Controller of Imports and Exports, New Delhi, will be forwarded by him to the regional licensing authority concerned for disposal.

207. (1) The applications should be supported by the following :—

- (i) An attested copy of the letter containing sanction of the release of foreign exchange to cover the imports sought to be made.
- (ii) Five copies of the list of goods sought to be imported duly signed by the applicant in cases covered by the sub-para (2) below.
(If the goods are to be imported against more than one mode of financing, e.g., Free Foreign Exchange, Rupee, Foreign Credit, etc., the application should be supported by five copies of the list of items to be imported against each such mode of financing).
- (iii) A treasury receipt showing the payment of application fees on value applied for.

(It may be clarified that a Project or a Board or Undertaking run as department or

office of the Central or a State Government is exempt from the payment of application fees).

- (iv) Any other document/information considered necessary or required in terms of the provisions of this book; or any other Public Notice/

Trade Notice, issued in this regard.

(2) Import licences for spare parts will be valid for the import of permissible spare parts required for the plant, machinery and equipments installed or used by the licensee including spare parts of ancillary equipments, control and laboratory instruments and safety appliances. It will not be necessary for the applicants to furnish the lists of spare parts sought to be imported unless the applicant desires to import spare parts which are specifically shown as non-permissible in Red Book (Vol-I).

208. (1) Where an allocation has been made by an appropriate authority to any State Electricity Board/Project/Undertaking for the import of maintenance and departmental items of spares and stores, it will not be necessary for such an applicant to produce with the application for an import licence, the letter containing the sanction of foreign exchange referred to in subparagraph 207(i) above. Instead, in such a case, the applicant should send with his application a certificate to the effect that value of the goods applied for is within the allocation made to the concerned Board/Project/Undertaking for the import of maintenance and operational items of spares and stores.

(2) In cases where no separate allocation of foreign exchange has been made to an Electricity Board, Project or Undertaking, the applications for licences should be routed through the Central Water and Power Commission New Delhi.

209. After the import of the goods against the licence issued for the import of maintenance and operational items of spares and stores, the licensee should invariably send to the Central Water and Power Commission, New Delhi, a list of the items actually imported against the licence. The Central Water and Power Commission will undertake a check of the items actually imported having regard to indigenous availability.

210. The State Electricity Board/Project/Undertaking should also send reports on quarterly basis, to their administrative Ministry concerned of the Central or the State Government as the case may be, and to the Ministry of Finance, Department of Economic Affairs [F.E.B. (II) Branch], New Delhi, indicating the amount of foreign exchange utilised by obtaining licences for the import of maintenance and operational items of spares and stores in a particular licensing period.

211. *Emergency licences for spares.*—(1) The provisions contained in paragraph 194 of this book for the grant of emergency licences for import of spare parts will also apply to State Electricity Board/Projects/Undertakings upto a total value of Rs. 40,000/- in each case during the course of a licensing period.

(2) Applications for emergency licences for import of spare parts in excess of the value limit mentioned in sub-para (1) will also be considered from

State Electricity Boards/Projects/Undertakings provided the total value of such licences obtained in the course of a licensing period including the value of licences obtained under sub-para (1) above does not exceed Rs. 2.5 lakhs per annum per 100MW of Thermal Plant and Rs. 1 lakh per annum per 100 MW of Hydro Plant for the maintenance of which the spare parts are sought to be imported. Along with each import application, the applicant should furnish a declaration to the effect that the value of spare parts applied for is within the aforesaid monetary ceilings allocated by the Ministry of Irrigation and Power, New Delhi for the purpose.

(3) Applications for licences in terms of sub-para (2) above can be made to the Headquarters office of the Chief Controller of Import & Exports, New Delhi or to the Regional licensing authority concerned. In each application the applicant should indicate the value of emergency spare licences already obtained or applied for during the same licensing period. The application should also be supported by a list of spares sought to be imported, indicating the c.i.f. value of each item.

(4) Import licences issued under this provision will have an initial validity period of 12 months.

Import of raw materials, components and major assemblies

212. The State Electricity Boards/Undertakings/Projects should make their applications for the import of raw materials, components and major assemblies to the Chief Controller of Imports and Exports, New Delhi, in the manner indicated below :—

- (i) The application should be sent to the Central Water and Power Commission, New Delhi, in the form "K" given in Appendix 3.
- (ii) The application should be in duplicate and supported by the following :—
 - (a) A treasury receipt showing the payment of application fees on the value applied for. (It may be clarified that a State Electricity Board or Undertaking or a Project run as a Department of a Central or a State Government is exempt from payment of application fees).
 - (b) Seven copies of the list of items sought to be imported.
 - (c) Any other documentary information considered necessary or required in terms of the provisions of this book; or the Import Trade Control Policy Book; or any other Public Notice/Trade Notice issued in this regard.
- (iii) The Central Water and Power Commission will forward one copy of the application along with the treasury challan and five copies of the list of goods, including one copy duly attested by them, to the Chief Controller of Imports and Exports, New Delhi, with their recommendation.
- (iv) The Central Water and Power Commission will also send a copy of the list of the items

to the applicant for his information, with such amendments as may be made by them in the list.

Capital goods and electrical plants

213. Applications for import of capital goods and electrical plants may be made by the State Electricity Boards/Projects on the basis of foreign exchange released to cover the import and based on the indigenous clearance given by the Central Water and Power Commission. The applications should be made to CCI&E New Delhi through Central Water & Power Commission, New Delhi.

214. Applications for amendments in licences should be made by the State Electricity Boards/Undertakings/Projects direct to the Chief Controller of Imports and Exports, and not through the Central Water and Power Commission. However, where any change in the value or description of goods is sought, the application for amendment should be routed through the Central Water and Power Commission.

215. Application for revalidation of licences, should also be made direct to the Chief Controller of Imports and Exports, New Delhi. While applying for revalidation of licences issued for the imports of goods under Foreign Credits. Loans, or other tied resources, it should be clearly indicated whether the date/period upto which revalidation is asked for, falls within the date/period of terminal delivery fixed under the particular Credit, etc.

216. Applications for import of essential requirements by Electricity Projects or Undertakings in the private sector will also be considered by the Chief Controller of Imports and Exports, New Delhi, on the recommendation of the Central Water and Power Commission having regard to the import policy in force. Such undertakings should make their applications in Form 'B'.

Part C—Government departments, projects

217. Import licences to Central and State Governments departments/projects will be granted against the specific foreign exchange ceilings allocated/released by the Government of India and on the basis of the indigenous clearance given by the D.G.T.D.

218. The applications for licences may be made to the Chief Controller of Imports and Exports, New Delhi, or to the regional licensing authorities concerned.

219. The application for the licence should be made in form 'B' as given in this book. The applicant should send only one copy of the application to the licensing authority accompanied by the following :—

- (i) A letter from the administrative Ministry of the Government of India indicating the sanction for release of foreign exchange to cover the import sought to be made. Such a letter should also certify in clear terms that clearance from indigenous angle has been obtained from the D.G.T.D. and that the concurrence

of the Ministry of Finance (Department of Economic Affairs), Government of India for expenditure of foreign exchange has been obtained.

- (ii) Five copies of the list of goods sought to be imported, as cleared by the D.G.T.D. from indigenous angle.

Note.—It may be clarified that the Central and State Government departments and projects run as a department of the Central or a State Government are exempt from application fees.

Part D—Non-industrial undertakings in the public sector

220. (1) The procedure indicated in paragraphs 217 to 219 above will also apply to non-industrial undertakings in the public sector.

(2) *Import of spare parts by non-industrial undertakings.*—In respect of import of spare parts by non-industrial undertakings in the public sector, the applicants need not furnish lists of items sought to be imported and they need not also approach the D.G.T.D. for indigenous clearance. In such cases, the following procedure will be followed :—

- (i) While applying for an import-licence a list of the spare parts sought to be imported need not be furnished. Instead the applicant should send a list of machinery and equipment for the maintenance of which the spare parts are required. The application will, as usual be supported by sanctioned of foreign exchange to cover the import as laid down in para 219 above.
 - (ii) Import licences will be issued without the list of items, subject to the condition that the licence will be valid for import of spare parts required for the machinery and equipment appearing in the list attached to the licence.
 - (iii) If an undertaking requires to import spare parts which are specially shown as non permissible in the Red Book (Vol. I), it should obtain indigenous clearance from DGT.D. At the time of obtaining DGT.D.'s clearance, the applicant should also indicate the itemwise value in respect of such items. Five copies of the list of goods cleared by the D.G.T.D. should be attached to the import application. The list as cleared by the D.G.T.D. will be attached to the licence.
- (3) Import applications for spare parts should be made in Form 'B' and these applications can be made either to the Chief Controller of Imports and Exports, New Delhi or to the regional licensing authority concerned.

221. Import of spare parts by Irrigation projects.—

(1) The facility provided in paragraphs 206 to 210 for import of spare parts and in paragraph 194 for issue of emergency licences for import of spare parts to Industrial Undertakings in the public sector upto a total value of Rs. 40,000/- in each case during the course of a licensing period will also be available to irrigation projects in the public sector. Applications for emergency spares can be made by the Irrigation Projects to the regional licensing authority concerned. In each application, the Irrigation Projects should indicate the value of emergency spares licences already obtained or applied for during the licensing period.

(2) Application for emergency licences for import of spare parts in excess of the value limit mentioned in sub-para (1) will also be considered from Irrigation Projects in the Public Sector provided the total value of such licences obtained under sub-para (i) does not exceed Rs. 2.5 lakhs per annum per 100 MW of Thermal Plant and Rs. 1 lakh per annum per 100 MW of Hydro Plant for the maintenance of which the spare parts are sought to be imported. Along with such import application the applicant should furnish a declaration to the effect that the value of spares applied for is within the aforesaid monetary ceilings allocated by the Ministry of Irrigation and Power, New Delhi to the applicant.

(3) Applications for licences in terms of sub-para (2) above can be made to the Headquarters office of the Chief Controller of Imports & Exports, New Delhi or to the Regional licensing authority concerned. In each application, the applicant should indicate the value of emergency spare licences already obtained or applied for during the same licensing period. The application should also be supported by a list of spares sought to be imported, indicating the c.i.f. value of each item.

(4) Import licences issued under this provision will have an initial validity period of 12 months.

222. Clearance for import of iron and steel items.—Appendix 41 to the Import Trade Control Policy Book (Vol. I) contains the import policy in respect of iron and steel items. In the case of items not specifically mentioned in the said Appendix 41, the industrial undertakings in the public sector should obtain the necessary clearance for import from the Ministry of Steel & Mines, instead of obtaining such clearance from the D.G.T.D.

223. In respect of items the import of which is canalised through a Public sector agency, the licensing authority will issue a release order in favour of an Industrial Undertaking/Non-Industrial Undertaking Government Department/Project instead of issuing a direct licence, to enable the applicant to obtain supplies from the canalising agency. In respect of canalised item, a separate value limit should be indicated in the application against each item applied for.

CHAPTER IX

ACTUAL USERS (NON-INDUSTRIAL)

224. (1) Actual users (non-industrial) are those who require imported equipments, spare parts or other materials for their own use, but who are not engaged in industrial production.

(2) Actual users falling in this category have been broadly classified into the following two sub-groups :—

- (i) Actual users (services), which include actual users like newspaper establishments, construction agencies, fleet owners, garages and workshops, tyre retreading units, film studios and laboratories, publishers of books and printers, (including those engaged in the printing of exercise books, receipt books, ledgers, card records, and various types of invoice forms, folded, plain and printed sheets).
- (ii) Actual users (Institutions), which include actual users like educational institutions, research organisations, technical/technological institutions and hospitals.

(3) *Sponsoring Authority*.—(a) Application for of spare parts for maintenance of the imported machinery and equipment, or indigenously-made machinery or equipment having imported components, or for import of other materials will be considered in accordance with the relevant import policy in force. In respect of certain actual users falling in this category, specific provisions have been made in this chapter. Applications from other actual users in this category may also be considered on merits subject to the availability of foreign exchange to meet the essential requirements of materials which are not available from indigenous sources.

Newspaper Establishments/Publishers of Periodicals

225. (1) *Licensing authority*.—Newspaper establishment and publishers of periodicals, should make their import applications to the Chief Controller of Imports and Exports, New Delhi.

(2) *Application form*.—A separate simplified form for submission of import applications has been prescribed for this category of actual users (Form 'J'), which is given in Appendix 3. The application for import, licences should be made, in duplicate, in the prescribed form.

(3) *Sponsoring authority*.—(a) Application for import of newsprint and art paper should be made, in duplicate, through the Registrar of Newspapers, Ministry of Information and Broadcasting, New Delhi.

(b) Applications for other import requirements should be made direct to the licensing authority, and not through the Registrar of Newspapers; only one copy of the application should be sent.

(4) *Consolidated applications*.—The applications should be consolidated ones, covering the import requirements of the applicant unit in respect of all items, excluding newsprint and art paper. Common ownership units of newspaper/periodicals can submit one combined application covering the requirements of the various newspapers and periodicals owned by them giving details of the requirements of each establishment. For the import of printing machinery, separate applications should be made in accordance with the procedure laid down Chapter VI.

(5) *Accompanying documents*.—Applications should be accompanied by the following :—

- (i) Treasury challan showing the payment of application fees in the case of newsprint, the newspaper establishments have been exempted from payment of application fees on an application covering a quantity of not more than 40 tones of newsprint to be imported.
- (ii) Details of the existing machinery, viz. description of the machines, number of machines, age of each machine, country of origin and c.i.f. value, in the case of imported machinery or purchase value, in the case of locally purchased machinery.
- (iii) Five copies of the list of items to be imported.
- (iv) Any other evidence as may be necessary in terms of the import policy in force.

(6) *Application on annual basis*.—Applications for import of newsprint and art paper should be made on annual basis within the last date prescribed for this purpose in the relevant import policy. In respect of other requirements also applications should be made on annual basis. The last date for submission of applications will be as prescribed in the relevant policy.

(7) *Value of licences to be issued*.—Value of licences for import of specialised requirements will be determined in terms of the import policy in force, having regard to the value of licences issued for the previous period. The applicants should, therefore, indicate in their import applications the value of licences for these goods obtained by them for the previous two licensing periods.

(8) *Associate Presses can also apply*.—Applications for import requirements other than newsprint and art paper, will also be considered from associate presses who have long-term arrangements/contracts with the owners of newspapers for the printing of their newspapers/periodicals. In such cases, the applicant should

produce satisfactory documentary evidence in support of their having long-term arrangement/contract with the newspapers.

Printers

226. (1) *Licensing authority.*—Import applications from printers other than associate presses referred to in sub-para (8) of para 225 above, will be considered by the regional licensing authorities concerned, except for printing machinery for which the licensing authority is the Chief Controller of Imports and Exports, New Delhi.

(2) *Sponsoring authority.*—(a) Applications for licences should be made through the sponsoring authority concerned. The sponsoring authority in the case of a printing unit will be the State Controller of Printing. But the units which have already got themselves registered as small scale units with the State Director of Industries, should make their applications through the State Director of Industries only.

(b) In respect of printing units situated in West Bengal other than those registered as small scale units, the sponsoring authority will be the State Director of Industries; and in the case of printers registered as small scale units, the sponsoring authority will be the Director of Cottage and Small Scale Industries, West Bengal.

(3) *Value of licences to be issued :* Value of import licences (other than machinery) will be determined in terms of the import policy in force, having regard to the recommendation of the sponsoring authority and the value of licences issued for the previous period. The applicants should therefore indicate in their import applications the value of licences for the same goods obtained by them for the previous two licensing periods.

(4) *Form and manner of application.*—Applications should be made in the prescribed form 'B' and should be supported by the following :—

- (i) Treasury challan showing the payment of application fees on the value applied for.
- (ii) Details of the existing machinery, viz., description of the machines, age of each machine, country of origin, and c.i.f. value, in the case of imported machinery or purchase value, in the case of locally purchased machinery.
- (iii) Five copies of the list of items to be imported.
- (iv) Any other evidence as may be necessary in terms of the import policy in force.

(5) *Consolidated applications.*—The applications should be consolidated ones covering the requirements of the applicant unit in respect of all items excluding printing machinery.

(6) *Annual applications.*—Applications should be made on annual basis. The date for submission of applications will be as laid down in the relevant policy.

Publishers of books

227. (1) *Licensing authority.*—Applications from publishers of books will be considered by the regional licensing authorities concerned for import of exposed negatives and positives of books for reproduction of titles.

(2) *Form and manner of application.*—The applications should be made on annual basis in the prescribed form 'B', and it should be accompanied by a treasury challan showing payment of application fees. There will be no last date for submission of such applications during a licensing period.

(3) The application should be supported by evidence to show that the applicant has published books, namely a certificate from the Federation of Publishers and Book Sellers Association in Indira, A-84A, NDSE Part II, New Delhi-49; or the Publishers Association of India, 14/18, Calicut Street, Ballard Estate, Bombay-1; or the Indian National Reference Library, National Library, Belvedere, Calcutta-27 or Federation of Indian Publishers, 21, Western Court, New Delhi; or any other satisfactory evidence to this effect.

Construction Agencies

228. (1) *Licensing authority.*—Application for import of spare parts by constructing agencies will be considered by the regional licensing authorities concerned.

(2) *Form and manner of applications.*—(a) The applications should be made on annual basis in the prescribed form 'B'. It should be accompanied by treasury challan showing payment of application fees.

(b) Applicants should furnish five copies of the list of spare parts sought to be imported. Applications may be considered for import of items recommended by the sponsoring authority and not available from indigenous sources.

(c) The date for submission of applications will be laid down in the relevant import policy.

(3) *Particulars of machinery to be furnished.*—The applicant should furnish with his application a statement indicating the description of machinery, the age of the machinery, the country of origin and the c.i.f. value of the imported machinery or purchase value of the locally purchased indigenous machinery, for the maintenance of which the spare parts are sought to be imported.

(4) *Sponsoring authority.*—Application for an import licence should be made through the Director of Industries of the State in which the machinery referred to in sub-para (3) above is in use, or through the Director of Industries of the State in which the head office of the applicant is situated. The State Director of Industries will make his recommendation in consultation with the concerned department of the State Government.

Garages and Repair Workshops

229. (1) *Licensing authority.*—Applications from garages and repair workshops for import of spare parts of machine tools and permissible garage tools will be considered by the regional licensing authorities concerned.

(2) *Form and manner of application.*—(a) The applications should be made on annual basis in the prescribed form 'B', and it should be accompanied by a treasury challan showing payment of application fees.

(b) It will not be necessary for the applicant to furnish the list of items sought to be imported. The licence, if issued, will be valid for the import of permissible garage tools and spare parts of machine tools required for the equipment used by the applicant, subject to such restrictions as may be imposed by the licensing authorities under the import policy in force.

(c) The date for submission of such applications will be as laid down in the relevant import policy.

(3) *Sponsoring authorities.*—The applications should be made through State Directors of Industries.

Fleet Owners

230. (1) *Licensing authority.*—Applications from State Transport authorities and other fleet owners, owning a fleet of 25 vehicles or above, will be considered by the regional licensing authorities concerned for the import of permissible motor vehicle parts in terms of the import policy in force.

(2) *Co-operative Societies can also apply.*—Such applications will also be considered from a co-operative society of transport operators with a total fleet of 25 vehicles or above. Such co-operative societies should be duly registered with the State Registrar of Co-operative Societies. The application for licence should be made through the State Registrar of Co-operative Societies, who will forward the application to the licensing authority concerned with his recommendation. The Registrar of Co-operative Societies will also verify the correctness of the particulars of the vehicles accompanying the application. It may be clarified that the co-operative societies, like other fleet owners, will be required to furnish valid I.V.C. Registration/Exemption number, while applying for import licences.

(3) *Form and manner of application.*—Applications under the provisions should be made in the prescribed form 'B' and should be supported by the following :—

- (i) A treasury challan showing payment of the application fees on the value applied for.
- (ii) A statement indicating the registration number of each vehicle, the year of make and the country of origin of each vehicle for the maintenance of which the motor vehicle parts are sought to be imported. This statement should be certified by the Regional Transport Authority, or State Motor Transport authority, or State Motor Licensing Officer. In the case of State Transport undertakings, the statement may be certified by the General Manager or Managing Director of the undertaking.

- (iii) It will not be necessary for the applicant to furnish a list of items sought to be imported. Import licences will be valid for such items of motor vehicle parts, as may be permitted by the licensing authority, under the relevant import policy in force.

(iv) The date for submission of such applications will be as laid down in the relevant import policy.

(4) (i) The following vehicles will not be taken into consideration as a part of the fleet for the purpose of these provisions :—

(a) Motorcycles, scooters and auto-rickshaws.

(b) Passenger cars meant for private use.

(ii) Financiers who have advanced loans for purchase of vehicles which are being run by individual operators, will not be eligible to receive a licence as fleet owners.

Tyre Retreading Units

231. (1) *Licensing authority.*—Applications from tyre retreading units for import of permissible spare parts of machinery will be considered by the regional licensing authorities concerned.

(2) *Form and manner of application.*—(a) The applications should be made on annual basis in the prescribed form 'B' and it should be accompanied by a treasury challan showing payment of application fees.

(b) It will not be necessary for the applicant to furnish the list of items sought to be imported. The licence, if issued, will be valid for the import of permissible spare parts of machinery required for the equipment used by the applicant, subject to such restrictions as may be imposed by the licensing authorities under the import policy in force.

(c) The date for submission of such applications will be as laid down in the relevant import policy.

(3) *Sponsoring authorities.*—The applications should be made through State Directors of Industries.

Film Studios and Laboratories

232. (1) *Licensing authority.*—Applications for import of spare parts, studio bulbs and other materials will be considered by the regional licensing authorities concerned from film studios and laboratories in terms of the import policy in force.

(2) Applications for import of processing chemicals will also be considered, from the film laboratories.

(3) *Form and manner of applications.*—(a) The applications should be made on annual basis in the prescribed form 'B', and it should be supported by a treasury challan showing the payment of application fees on the value applied for.

(b) Five copies of the list of items sought to be imported.

(c) The date for submission of such applications will be as laid down in the relevant import policy.

Universities, Institutions and Hospitals

233. *Licensing authorities.*—(a) Applications for the grant of import licences from universities, educational institutions, research organisations, technical/technological institutions and hospitals, will be con-

sidered by the Chief Controller of Imports and Exports, New Delhi unless otherwise provided.

(b) Applications from actual users such as libraries, universities, and technical and educational institutions for import of technical books and permissible categories of magazines and journals will be considered by the regional licensing authorities.

234. *Sponsoring authority.*—(a) Applications from departments and constituent colleges of universities and institutions affiliated thereto, (excluding medical and agricultural institutions), should be made through the University Grants Commission, New Delhi.

(b) Applications from technical/technological institutions should be made through the Ministry of Education and Youth Services, New Delhi or the Department of Science and Technology, New Delhi.

(c) Applications from agricultural institutions should be made through the Ministry of Agriculture and Irrigation (Department of Agriculture), New Delhi.

(d) Applications from hospitals and medical colleges should be made through the Health Department of the Central or State Government concerned.

(e) Applications from Bhabha Atomic Research Centre and Tata Institute of Fundamental Research should be made to the Joint Chief Controller of Imports and Exports, Bombay. Applications for import of Iron and Steel items in such cases, should also be made to Joint Chief Controller of Imports and Exports, Bombay (Iron and Steel Division). The Joint Chief Controller of Imports & Exports, Bombay will deal with such applications, irrespective of the location of the applicants Units to which the import requirements pertain. The applications for import of capital goods should, however, be made to the Chief Controller of Imports & Exports (C.G. II Section), New Delhi.

(f) Application in terms of sub-para (b) of paragraph 233 can be made direct to the regional licensing authorities concerned.

235. *Form and manner of applications.*—(a) Applications should be made in the form prescribed for actual users (Form 'P'), as given in Appendix 3.

(b) The application should be a consolidated application covering all the items sought to be imported.

(c) Each application should be accompanied by seven copies of the list of items to be imported. The quantity and value in respect of each item should be indicated in the list. Where an applicant has to import goods through different agents by obtaining letters of authority in favour of such agents, the application for licence should be accompanied by separate list of goods to be imported through each agent in such cases, the applicant can also make separate applications for licences in respect of goods to be imported through different agents.

(d) There will be no last date for submission of applications during a licensing period. The sponsoring authority may, however, fix a last date for submission of applications to be made through it.

(e) The sponsoring authority will send the applications to the licensing authority concerned along with its recommendations and the sanction for the release of foreign exchange, wherever necessary.

Information to be Furnished with Import Applications

236. (1) All institutions including medical colleges and research/agricultural institutions applying for import licences should furnish the following information :—

- (i) the department/course/subject etc. or other purpose, if any, for which the stores covered by the application are required;
- (ii) the details of the stores already possessed by the institutions;
- (iii) particulars (number, date and value) of each import licence issued to the institution for the same stores during the last three licensing periods, and the extent of utilisation in respect of each licence;
- (iv) whether the stores covered by the application are required for the replacement of old stores or for expansion;
- (v) whether the stores covered by the application are required for the implementation of any scheme (a brief summary to be given of the scheme if any) sanctioned by the authority (to be named); and
- (vi) whether and why the import of stores covered by the application (a) is considered urgent and inescapable, and (b) cannot be postponed.

(2) A statement should be furnished giving particulars (number and date, description of stores and value) of their applications for import licences submitted by the institution during the licensing period covered by the application.

237. The institutions should also furnish the following additional information indicated against each :—

(a) By Educational institutions :—

- (i) Whether the institution is recognised by any competent body such as a University or a Board, and if so, the name of the University or Board, etc., concerned.
- (ii) Whether the institution forms a department or a constituent of affiliated institution of the University.
- (iii) Whether the institution is managed by Government or some Corporation/Municipality, etc., (to be named), and if managed by Government, whether it is managed by the Central or a State Government.
- (iv) The number of students on roll.
- (v) The post-graduate courses conducted.
- (vi) The number of students undergoing each post-graduate course.
- (vii) Particulars of grants, if any, received from Central or State Government or the University Grants Commission, or any other body (to be named).

(b) By Research Institutions :—

- (i) Whether the institution is managed by Government or some Corporation/Municipality, etc., (to be named); and if managed by Government, whether it is managed by the Central or a State Government.
- (ii) whether the institution forms a department of a constituent or affiliated institution of the university;
- (iii) number of research workers on roll;
- (iv) subject on which research is conducted and;
- (v) particulars of grants, if any, received from the Central or the State Government or the University Grants Commission or any other body (to be named).

238. Hospitals applying for import licences should clearly state :—

- (i) whether the hospital is managed by Government or some Corporation/Municipality, etc., (to be named), and if managed by Government whether it is managed by the Central or a State Government;
- (ii) number of wards and beds in each ward;
- (iii) particulars of grants, if any, received from the Central or the State Government or any other body (to be named);
- (iv) an inventory of the major equipment and apparatus available with the applicant;
- (v) whether the equipment proposed to be imported is new, complete or a major replacement; and

- (vi) details of import licences obtained by the applicant during the last three licensing periods, indicating in each case the licensing period, the number and date of the licence, its value, brief description of goods and the imports effected.

239. Applications for import of goods received as gifts by hospitals up to a value not exceeding Rs. 10,000/- may be considered by the regional licensing authorities concerned, if the goods sought to be imported are not intended for sale and an evidence of free supply is produced.

240. *Indigenous Clearance.*—Import applications will be considered from universities, institutions and hospitals only in respect of such items which have been cleared by the D.G.T.D. under the import policy in force. The sponsoring authorities should, therefore, obtain clearance from the D.G.T.D. before recommending the licence. In their recommendation, the sponsoring authorities should clearly indicate that clearance has been obtained from the D.G.T.D. in respect of the items recommended for import. The number and date of the D.G.T.D.'s communication pertaining to the clearance given, should also be quoted.

241. *Application fees.*—(1) Hospitals owned by Central or a State Government are exempt from payment of application fees.

(2) Educational, charitable or missionary institutions applying for goods for their own consumption, are also exempt from payment of application fees.

241A. *I.V.C. Number.*—The production of I.V.C. Registration/Exemption number has been dispensed with in the case of applications for licences from educational or charitable institutions which are exempt from payment of income-tax.

CHAPTER X

REPLACEMENT LICENCES

242. Replacement licences or Customs Clearance Permits for the import of goods to replace those which are short-supplied, short-landed, lost or damaged in transit or those found defective or otherwise unfit for use after import, will be granted in terms of the provisions contained in the succeeding paragraphs.

Short-shipment, short-landing or loss in transit before import

243. Where the import of goods would have been covered by a valid licence if they had in fact arrived, but are short-supplied, short-landed or lost in transit prior to actual import, and are detected as such at the time of clearance through Customs, no fresh licence would be issued to cover the goods supplied in replacement thereof, if the original licence is available for their import. If the original licence has expired, it may be revalidated to facilitate the import of such goods.

Loss or damage after import

244. (1) In cases where goods are lost or damaged after import, replacement licences may be issued by the licensing authority, but this provision will be applicable only when the loss or damage is caused on the docks after landing provided the goods in question were covered by insurance policy at the time of such loss or damage. In such cases, the application for replacement licence may be considered on production of the following documents :—

- (i) The insurance survey certificate issued by any authorised insurance surveyors to the effect that the goods were actually lost or damaged while on the docks after landing.
- (ii) A certificate from the insurance company to the effect that they have accepted the claim for payment of Rupees..... (the amount to be specified) as the cost of the goods lost or damaged.

N.B.—Where it is confirmed by the insurers or their local agents that separate insurance survey has not been conducted and that the claim has been settled on the basis of survey conducted by the steamer agents or on the basis of the certificate of examination by the Customs authorities, or the certificate of non-delivery issued by the Port Trust authorities, the licensing authority may accept such certificate/survey report issued by the steamer agents or customs or Port Trust authorities in lieu of insurance survey certificate. However, if the survey report or the certificate produced by the applicant does not give specific details in regard to the loss or damage claimed, he may be asked to produce additional evidence such as correspondence exchanged with the carriers, insurers and Port Trust authorities.

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(2) In cases where an insurance policy has been taken from a non-resident insurance company, the replacement licence under sub-para, (1) above will be issued subject to the following condition :—

“The licence shall not be used for remittance abroad except with the prior approval of the Reserve Bank of India.”

(3) Where an insurance policy has been taken from an Indian company, a replacement licence under sub-para (1) above may be issued without the condition mentioned in sub-para (2) above, provided the licensing authority is satisfied on the basis of evidence in the form of a certificate from the insurance company that the insurance policy in respect of the goods lost, damaged etc. had been issued by the company in India and the claim has been accepted for payment in Indian rupees.

Note.—It may be clarified here that under the Exchange Control Manual, Indian branches and agencies of Indian insurance companies whose head offices are outside the Indian Union are regarded for Exchange Control purposes as resident in India and are subject to the same regulations as companies registered in India. Therefore, it has been decided that insurance cover taken by the Indian importers with such Indian branches of the insurance companies incorporated abroad is to be treated as insurance placed with resident company in respect of which insurance claim will be settled in rupees locally.

(4) If the insurer settles the claim on the condition that the damaged/defective goods shall be surrendered to him, the applicant will be required to surrender such goods to the insurer who settled the claim.

Goods found defective or unfit for use after import

245. (1) Goods supplied free of charge in replacement of those previously imported which have been found to be defective or otherwise unfit for use, would be allowed to be cleared under Open General Licence No. IV provided the conditions stipulated in the said Open General Licence are fulfilled. A copy of the Open General Licence No. IV as amended, is given in Appendix 24 to this book.

(2) In cases involving import of goods free of charge, in replacement of those found defective or unfit for use after import, which are not covered by Open General Licence No. IV, the licensing authority may consider the application for replacement licence or Customs Clearance Permit on production of the following documents :—

- (i) Survey certificate issued by any authorised surveyors to the effect that the goods were actually received in defective condition and required replacement.

- (ii) Original evidence of acceptance by suppliers abroad to replace the defective goods free of charge.

N.B.—In cases where foreign exchange is required to cover further insurance and freight, the amount for which the Exchange Control copy of the licence should be made valid should be clearly indicated in the application for replacement licence.

(3) If the supplier accepts to replace the goods free of charge on the condition that the damaged goods or goods found otherwise unfit for use, shall be returned to him, the applicant will be required to return such goods to the supplier abroad. Also, the Exchange Control copy of the licence, if issued in such cases, will be valid for the remittance of foreign exchange required to cover further insurance and freight only, in respect of goods to be imported against the licence.

Replacement of machinery items

246. (1) In the case of machinery items, the defect in any part of the machine or its breakage cannot, in certain cases, be ascertained unless the machine or its part is installed (*i.e.*, bolted to the ground) and put in operation. In such cases and also in cases involving replacement of goods, which are rendered defective after use during the guarantee period, if the supplier agrees to replace the defective or broken machine or its part free of charge, the application for replacement licence may be considered on production of the following documents :—

- (i) Original evidence of acceptance by the foreign supplier to replace the goods in question free of charge.
- (ii) A certificate from a qualified engineer to the effect that the particular machine or part thereof, is considered unfit for use in the main plant etc., for which it was intended.
- (iii) Original evidence showing the date of previous importation of machinery and the period of guarantee given by the foreign manufacturer/supplier.

Note No application for replacement licence need be made under this provision, in cases covered by OGL IV..

(2) The Exchange Control copy of the replacement licence, if issued in terms of the provision of this paragraph, will be valid for the remittance of foreign exchange required to cover further insurance and freight only.

(3) If the supplier accepts to replace the goods free of charge on the condition that the machine or its part, originally imported, shall be returned to him, the applicant will be required to return the machine or its part, originally imported, to the supplier abroad.

247. (a) In the case of machinery, if any part of the machine is found broken, lost or damaged upto the time of installation of the plant/machinery and such loss or damage or breakage, as the case may be, was covered by the marine insurance, the licensing authority may consider the application for the grant of replacement licence in such a case, provided that applicant produces the following evidence :—

- (i) A certificate from the insurance company to the effect that they have accepted the claim for payment of Rs.—(the amount to be specified) as the cost of goods found to have been lost, damaged or broken; and

- (ii) Survey certificate issued by any authorised surveyors to the effect that the goods were actually found to be damaged, broken or lost. In lieu of such survey certificate, the licensing authority may also accept any other satisfactory evidence in support of the loss, damage or breakage noticed.

(b) The provision of sub-paras (2), (3) and (4) of paragraph 244 above will apply in such cases also.

248. Applications for replacement licences or Customs Clearance Permits in cases which are not covered by the provisions contained in this chapter will be considered on analogous principles on merits by the licensing authority concerned.

Procedure for submission of applications for replacement licences

249. (1) Application for replacement licences or Customs Clearance Permit should be made, complete in all respects, in the prescribed form (Form 'M') and should be sent to the licensing authority who had issued the licence against which the goods were originally imported. The application should be accompanied by:—

- (i) treasury receipt showing the amount of application fee paid on the value applied for; and
- (ii) documentary evidence considered necessary or required in terms of provisions of this book; or the relevant Import Trade Control Policy Book; or any Public Notice/Trade Notice, issued in this regard.

(2) The application for licence/revalidation of original licence should be made within a period of 60 days, after the short-shipment, short-landing, loss in transit or the defect in the imported goods is noticed; or within 60 days from the date the foreign supplier accepts to replace the goods free of charge, whichever date is later. In cases, where the importer has made a claim for the cost of such goods on the insurance company, he should make an application for replacement licence/revalidation of original licence within a period of 60 days after the claim has been accepted or settled and the payment made by the insurance company.

(3) Application received after the prescribed period of 60 days will be liable to be rejected. But in deserving cases, the licensing authority may consider such application, if received within 90 days instead of 60 days.

(4) Application for replacement of machinery or any part thereof should be made within a period of 90 days from the date of arrival of the machinery in the applicants' factory or godown, except in cases covered by the guarantee given by the foreign supplier/manufacturer for replacement of goods rendered defective after use. In cases where the importer has made a claim for the cost of such goods on the insurance company, he should make an application for replacement licence within 60 days of the settlement of the claim by the insurance company.

(5) In the case of applications for replacement of machinery or parts thereof, the licensing authority may condone delay up to 60 days.

(6) Applicants are required to furnish original documents in support of their applications for replacement licences. Where an applicant wants that the original documents may be returned by the licensing authority, he should furnish attested copies of such documents alongwith the original documents. The licensing authority, after disposal of the application, may retain attested copies and return the original ones to the applicant.

Replacement licences not to issue in certain cases

250. (1) Normally no replacement licences or Customs Clearance Permits will be issued in terms of these provisions in cases where, at the time of issue of the licence, the goods are not licensable to the class of importer concerned, according to the import policy in force. But in cases of genuine hardship, the licensing authority may issue the licence, if otherwise admissible, even in respect of goods which are not licensable to the class of importer concerned at the time of issue of the licence, provided the original import was made during the same licensing period in which the replacement licence is issued or during the immediately preceding period.

Note No. 1.—The date of original import for the purpose of this paragraph will also be the same as indicated in paragraph 35 of this book.

Note No. 2.—The restriction on the issue of replacement licences indicated in this paragraph will also apply to the requests for revalidation of licences being considered in terms of para 243 of this book.

(2) Notwithstanding the restrictions indicated in sub-para (1) of this paragraph, the licensing authority may consider applications for the grant of Customs Clearance Permits or replacement licences, as the case may be, for import of machinery and parts thereof in replacement of the originally imported goods which were found defective or otherwise unfit for use, provided that in the case of such goods supplied free of charge in pursuance of suppliers guarantee, the licensing authority is satisfied that the importer was unable to have the goods shipped under OGL IV within the period of guarantee itself.

(3) Where at the time of issuing a replacement licence or a customs clearance permit, the import of the goods, in question, is canalised through a public sector agency, the licensing authority may consider the application on the following basis :—

- (i) In cases covered by an insurance claim, a release order may be issued instead of a replacement licence, to enable the applicant to obtain supply of the goods from the canalising agency; and
- (ii) in cases where the goods are to be supplied free of charge by the foreign supplier, the licensing authority may issue a customs clearance permit in the name of the canalising agency concerned with a Letter of Authority in favour of the applicant to enable him to import the goods.

(4) Where an importer accepts the damaged or defective goods on an allowance allowed to him either by the supplier or by the insurance company, the importer will not be entitled to the grant of replacement licence in respect of the goods so accepted.

CHAPTER XI

PERIOD OF VALIDITY AND REVALIDATION OF LICENCES

Period of Validity

251. (1) The period of validity (*i.e.*, the period of shipment/despatch) of import licences in respect of various items or categories of importers will be 12 months, unless otherwise provided.

(2) In the case of licences for raw materials/components/spares issued to actual users for imports from General Currency Area or Rupee Payment Area, the validity period of the licence will be 24 months, unless otherwise provided.

(3) The licences granted under the import policy for Registered Exporters will normally be valid for a period of 24 months, unless otherwise provided.

(4) The initial period of validity of C.G./H.E.P. licences other than those against "tied credits" or 'foreign aid' will be 24 months. In the case of CG/HEP licences issued against a tied/foreign credit, the initial period of validity will be 24 months or the terminal date of the relevant credit, whichever is earlier. (Reference may be made to para 152 in Chapter VI in this behalf).

(5) The initial period of validity of licences for machine tools covered by C.G. scheme, will be the same as for C.G. licences.

(6) The initial period of validity of licences granted for the import of equipment for irrigation projects will be one year. Where documentary evidence is produced with the application for licence to show that firm order for the goods has been placed and accepted by the foreign suppliers, the licensing authority will issue such licences with a maximum validity period of three years.

(7) The period of validity of licences for the import of goods required to fulfil D.G.S. & D., Railway and Defence contracts, will be in accordance with the recommendation of the D.G.S. & D./Railway Liaison Officer/Ministry of Defence.

(8) The initial validity period of a Customs Clearance Permit will be six months. However, in cases where the applicant needs more than six months, the licensing authority may, in its discretion, allow longer validity period but not exceeding 12 months.

(9) The initial validity period in respect of emergency licences for import of spares, issued to actual users will be six months.

(10) The initial validity period in respect of replacement licences/CCPs, will be twelve months.

(11) The initial period of validity of import licences issued against various credits may vary according to the terms and conditions of the credit concerned.

(12) The initial validity period in respect of licences issued to established importers will be 18 months.

(13) Import licences for raw materials/components/spares issued prior to 1st April, 1975 to actual users and registered exporters on General Currency Area or Rupee Payment Area and which have an initial validity period of 18 months, will automatically be deemed to be valid for 24 months from the date of issue, provided these licences have not already been revalidated beyond their initial validity period of 18 months and were valid on 31st March, 1975. This facility will also be available to the import licences issued in the name of a canalising agency with a letter of authority in favour of an actual user or registered exporters. This facility will also be available to import licences issued to canalising agencies like MMTC, STC and SAIL, International Ltd.

(14) All import licences for Capital Goods, Heavy Electrical Plant and machine tools issued before 1st April, 1975 for import from General Currency Area or Rupee Payment Area and which have an initial validity period of 12 months will automatically be deemed to be valid for a period of 24 months from the date of issue, provided these licences have not already been revalidated beyond their initial validity period of 12 months. This automatic extension in the period of validity will be subject to the condition that firm order is placed by the licence holder on the foreign supplier within the period for placement of firm orders already stipulated in the licence.

Date of shipment/despatch

252. *Imports by sea.*—In the case of shipments against import licences, made by sea, the date of shipment of goods will be determined by the date on the Bill of Lading which generally shows the date on which the goods have actually been loaded on the ship.

Note.—A Bill of Lading is a document for the carriage of goods and it is, therefore, a contract starting from the time when the goods are received on board the ship. When the goods are actually placed on board the ship, the mate's receipt is issued which is temporary receipt issued by an officer of the vessel on behalf of the mate. Bills of Lading are prepared from the mate's receipts and the Bills of Lading may or may not show the exact date on which the goods have actually been placed on the ship. Sometimes the Bills of Lading bear two endorsements namely (i) Received for shipment and (ii) Shipment in good condition and order. The date stamped against the aforesaid two endorsements, at times, differ. In such cases, the date shown against the endorsement No. (ii) above, *i.e.*, shipped in good condition and order, appearing on the Bill of Lading, will be accepted as the date of shipment. However, it will not be binding on the Customs authorities that this date should necessarily be accepted as the date of shipment. Where the

Customs authorities have any doubt, it will be open to them to find out the actual date of shipment by other means, i.e., from the report of Chief Officer of the ship and tally report of the ship etc.

(2) *Imports by air.*—In the case of imports by air, the date of air consignment note will normally be taken as the date of despatch of the goods, provided this date represents the date on which goods are despatched from the last airport in the country.

Note.—In cases where a doubt is felt whether the goods have been placed on the aircraft on the date as given in the consignment note, it will be open to the Customs authorities to seek further information such as the actual date of departure of the plane, the time of stay at the foreign airport of loading etc., to determine the actual date of despatch.

(3) *Imports by post parcel.*—In the case of post parcels, the date stamp of the office of despatch shown on the packets or despatch note is considered as the date of despatch of foreign parcels.

(4) *Imports from land-locked countries.*—In the case of imports from land-locked countries, such as Czechoslovakia and Switzerland which have no sea port of their own, the date of shipment will be the date of actual despatch of the goods by rail or road or any other recognised mode of transport from the country of origin of the goods to the consignee in India on 'through consignment' basis.

Note No. I.—A through Bill of Lading tallying in all material particulars and giving evidence of no undue delay by halts or break of journey, will normally constitute sufficient proof of a 'through consignment'.

Note No. II.—This concession will be applicable only in the case of imports from land-locked countries and not from countries which have sea ports of their own. However, it has been represented that even though East Germany has ports capable of taking ships with deep sea draught but for certain specific difficulties she is not in a position now to induce ocean going freighters of other countries to call at her ports. Therefore, the date of issue of cross border certificate issued by the German Democratic Republic may be taken as the 'date of shipment' in the case of imports from East Germany.

validity of import licences to cover imports

253. (1) *Validity is related to date of shipment/despatch.*—The validity of an import licence is decided with reference to the date of actual shipment/despatch of the goods from the supplying country and not the date of arrival of the goods at an Indian port. If the goods are shipped or despatched within the period of validity of the licence, they will be allowed to be cleared even if they arrive at an Indian port after the expiry of the licence, if the import is otherwise covered by the licence. On the other hand, if the goods are shipped or despatched before the date on which the licence is issued, the import will be treated as un-

authorised even though the importer holds a licence on the date of arrival of goods, at an Indian port. Similarly, the goods shipped or despatched after the expiry of the period of validity of the licences will also be unauthorised. Importers should, therefore, see and satisfy themselves that they hold a valid licence on the date on which the goods sought to be imported and shipped/despatched by the suppliers.

(2) Where the date of expiry of an import licence falls before the last date of a month, the licence will automatically be valid to cover shipment made up to the end of that month. Also, in calculating the period of validity of a licence the date of issue of the licence is excluded. For instance, if a licence is issued on 10th November, 1975, and is valid for 12 months, it will normally expire on 10th November, 1976 but in accordance with the provisions of this paragraph, such licence will be treated as valid upto 30th November, 1976.

(3) In cases where the goods are shipped or despatched before the date of issue of the licence or after its expiry, the imports will be treated as unauthorised by the customs authorities and the Import Trade Control authorities will not entertain any representation in this regard.

Grace period

254. (1) In order to facilitate shipment/despatch of goods against licences, a grace period not exceeding 60 days is allowed after the date on which the licence expires. In the case illustrated in sub-para 253(2) above, the period of grace will commence from the 1st December, 1976, and the licence will be completely dead on the 30th January 1977.

(2) The grace period of 60 days will also be available in the case of Customs Clearance Permits.

(3) The importers can also avail of the grace period of 60 days in the case of revalidated licences.

(4) The grace period cannot be claimed as a matter of right and no letter of credit should be opened or order placed against the licence during the period of grace.

(5) The grace period will be available in the case of licences issued against foreign credits also, provided this period can be accommodated within the specific date for shipment/despatch of goods stipulated in the conditions applicable to the relevant credit.

(6) On certain occasions such as dockyard strike in the country of shipment when the importers face genuine difficulties and the goods cannot be shipped in time, the licensing authority may, by a general authorisation extend the period of validity of any licence on an *ad hoc* basis for a specified period. Such extension, where granted, will be in the nature of enhanced grace period and the importers will not be entitled to open any letter of credit or place orders for the supply of goods during such extension. It may be clarified that if such enhanced grace period is more than 60 days, the licensee cannot separately avail of the normal grace period of 60 days under sub-para (1) of this paragraph.

Revalidation of licences

255. (1) *Application for revalidation.*—A form of application for revalidation of licences has been introduced. The prescribed form appears in Appendix 3 to this book. All requests for revalidation of licences from actual users, established importers or others should be made in the prescribed form. While applying for revalidation, the applicants should specifically indicate the amount for which firm and irrevocable commitments has been made and the amount which has been utilised during the initial period of validity including period of revalidation already availed or if any, in the appropriate columns of the prescribed application form. It is not necessary for an importer to get his import licence revalidated merely for the purpose of remittances against the imports already made. In such cases the importer may approach the authorised dealers in foreign exchange with the relevant documentary evidence showing that the goods were imported within the validity period of the licence. The authorised dealers in foreign exchange will consider such cases in accordance with the relevant rules.

(2) *Actual users.*—Requests for revalidation of actual user licences will be considered on merits by a licensing authority where such authority is satisfied that the requests for revalidation is based on genuine difficulty and the refusal to grant extension will cause hardship or loss to the licence holder. In deserving cases, licences may be extended by a period not exceeding six months, provided such revalidation is otherwise allowed in terms of the relevant import policy.

(3) *Established importers.*—Requests for revalidation of established importer licences will be considered by a licensing authority on merits where such authority is satisfied that the licence holder had taken all possible measures to effect shipment/despatch within the validity period of the licence in question but shipment/despatch could not be effected for reasons beyond his control. In deserving cases, licences may be extended by a period not exceeding six months.

(4) *C.G./HEP.* (a) C.G./H.E.P. licences will be issued subject to the condition that the licensee shall be required to place firm order on the foreign supplier within 6 months from the date of issue of the licence. If a licensee fails to place firm order on the foreign supplier within 6 months, his requests for extending this period may be considered by the licensing authority, on merits, if the said authority is satisfied that the licensee was unable to place firm order within the stipulated period of 6 months for valid reasons, and that a refusal to grant further time for placing firm order will cause genuine hardship.

(b) In the case of CG/HEP licences, other than those against tied credits extension beyond the overall validity period of two years will not normally be granted but in cases of special difficulty, the requests for revalidation beyond this period may also be considered in consultation with the sponsoring authority concerned having regard to the delivery period of goods.

(c) In the case of C.G./H.E.P. licences, other than those against tied credits, if the licensee fails to place firm order on the foreign supplier, or the foreign sup-

plier has not accepted the order, during the stipulated period of 6 months or during the first extension, if any, granted for this purpose, the request for any further extension for placement of order may not ordinarily be considered. However, in special circumstances, the licensing authority may consider such requests on merits in consultation with the sponsoring authority concerned, but, in such cases, licensing authority may exclude from the licence the items available from indigenous sources, before further time is granted.

(d) In the case of C.G./H.E.P. licences issued against tied credits, if a firm order has been placed and accepted by the foreign supplier within the period of 6 months from the date of issue of the licence, or within such time as has been specified in the conditions of the relevant credit for this purpose, whichever is less, and as per terms and conditions of the credit against which the licence is issued, the licensing authority may consider request for extension of validity of the licence on merits, having regard to the delivery period of goods and the term and conditions of the credit against which the licence is issued.

(e) In the case of C.G./H.E.P. licences issued against tied credits, if the licensee fails to place firm order within six months from the date of issue of the licence or within such period as has been specified in the licence for this purpose, whichever is less, or the foreign supplier has not accepted the order within the same period as per terms and conditions of the credit against which the licence is issued, the licensing authority may consider on merits requests for allowing a further period to enable the licensee to place order subject to the terms and conditions of the relevant credit. If the licensee fails to place firm order in the extended period or the foreign supplier has not accepted the order, requests for allowing further time for placement of firm order may be considered in consultation with the sponsoring authority concerned but in such cases, the licensing authority may exclude from the licence the items available from indigenous sources, before further time is granted. But if a firm order has been placed and accepted by the foreign supplier during the extended period as per terms and conditions of the relevant credit against which the licence is issued, the request for further revalidation of the licence may be considered by the licensing authority as provided in sub clause (b) of this sub paragraph.

(f) Requests for revalidation of licences for import of plant and machinery issued to actual users, under the import policy for registered exporters will also be dealt with in accordance with the provisions of this sub-para.

(5) *Registered exporters.*—In the case of licences for raw materials, components and spares granted under the import policy for registered exporters, the period of validity may be extended for a period not exceeding six months, as in the case of actual users.

(6) *Irrigation projects.*—The licences for the import of equipment for irrigation projects will be extended by a maximum period of three years on production of documentary evidence to show that firm order has been placed and accepted by the foreign supplier provided the licence in question was initially issued with a validity of one year. Where the licence has already been

issued with a maximum validity period of three years as provided in para 251 (6) of this chapter, normally, further extension will not be granted.

(7) *D.G.S. & D./Railway/Defence contracts.*—Licences issued against the D.G.S. & D./Railway/Defence contracts will be revalidated on the recommendation of the D.G.S. & D./Railway Liaison Officer/Ministry Defence, as the case may be.

(8) *Technical Institutions.*—The period of validity in respect of licences granted to universities, educational institutions, research organisations, technical/technological institutions and hospitals, may be extended, upon request, depending upon the merits of each case.

(9) *C.C.P.*—A Customs Clearance Permit may be revalidated upto a period of six months. A C.C.P. issued for import of replacement consignment may be revalidated for a period upto six months.

(10) *Emergency licences for spares.*—The period of validity in respect of emergency licences for spares, issued to actual users, will not be extended.

(11) In cases not covered by sub-para. (1) to (9) above, no revalidation of licences will ordinarily be allowed. But in case of genuine difficulty, the licensing authority may grant extension for a short period on merits.

(12) Revalidation of an import licence allowed by a licensing authority may be subject to such conditions or restrictions as such authority may impose.

Licensing authorities to whom applications for revalidation should be made

256. (1) Subject to the additional facility as provided in sub-paragraphs (2) and (3) below, the request for revalidation of a licence should be made to the licensing authority who issued the licence.

(2) Requests for revalidation of actual user licences, established importers licences, licences granted under the import policy for Registered exporters and Customs Clearance Permits, issued by any licensing authority, will be entertained by all the regional licensing authorities.

(3) In the case of C.G./H.E.P. licences, other than those issued against tied credits, the requests for revalidation upto one year will also be entertained by all the regional licensing authorities, provided firm order has been placed and accepted within the period prescribed for this purpose. Requests for revalidation beyond this period should be made to the licensing authority who issued the licence.

(4) Requests for revalidation of import licences issued against foreign credits will be considered by the licensing authority who issued the licence.

257. (1) *Applications for revalidation to be made in time.*—The requests for revalidation of licences should be made within the validity period of the

licence. However, in cases of specific hardship, the licensing authority may condone the delay in the submission of the application for revalidation where such authority is satisfied that the delay in making the application for revalidation was due to circumstances beyond the control of the licensee.

(2) *Date from which revalidation will take effect.*—

(a) Revalidation, where allowed, will be from the date of expiry of the licence when such licence is presented for revalidation before its expiry.

(b) In cases where the licence is presented for revalidation after the date of expiry, the revalidation where allowed, will be from the date on which the application for revalidation is made, and the licensing authority will make a specific condorsement on the licence to this effect.

(c) Notwithstanding the provisions of sub-para (b) above, a licensing authority may in cases of special difficulty, allow revalidation from the date of expiry of the licence, even if the licence in question is presented for revalidation after its expiry.

Period of validity and revalidation of Release Orders

258. (1) The initial period of validity of release orders in respect of items the import of which is canalised through public sector agencies will be 18 months, unless otherwise provided.

(2) A release order shall be subject to the following condition *inter-alia* :—

“It is a condition of this release order that it shall be registered with the canalising agency concerned within 90 days from the date of its issue, in accordance with the conditions prescribed by the canalising agency concerned. Failure on the part of the release order holder to register the release order within the stipulated time will render the release order invalid for being serviced by the canalising agency.”

(3) All release orders, including those registered with the canalising agencies concerned, within the period of 90 days as stipulated above, shall expire as soon their validity period is over and the canalising agencies shall not service the release orders which have expired. The canalising agency may, however, accept release order for registration after the prescribed period of 90 days, provided the delay is not more than 30 days.

(4) Requests for revalidation of release orders upto a period of 6 months may be considered on merits in cases where an applicant produces a letter, in original, from the canalising agency concerned that the goods could not be supplied within the initial validity period on account of circumstances beyond the control of the applicant.

(5) The request for revalidation should be made to the licensing authority which issued the release order sought to be revalidated.

CHAPTER XII

APPEAL AND REVIEW

259. When a person is not satisfied with the decision of a licensing authority, he may make an appeal against the said decision in accordance with the provisions hereinafter stated.

260. *First Appeal.*—(1) In respect of an application for import licence, an appeal, in the first instance, will lie with the head of the office in which the application was dealt with. However, in the case of an application dealt with in the Licensing Division at the Headquarters Office of the Chief Controller of Imports and Exports, New Delhi, the first appeal will lie with the Joint Chief Controller of Imports and Exports (Headquarters Licensing Division) in the Office of the Chief Controller of Imports and Exports, New Delhi. The first appeal in regard to the applications dealt with in the Import Trade Control offices at (i) Visakhapatnam, and Pondicherry, (ii) Rajkot and New Kandla, (iii) Amritsar and Srinagar and (iv) Shillong, will be with the Joint Controller of Imports and Exports at Madras, Bombay, New Delhi, (C.L.A.) and Calcutta, respectively.

(2) The first appeal against the decisions of a licensing authority in respect of an application made under the policy for registered exporters, will lie with the head of the office in which the application was dealt with. However, first appeal in respect of applications dealt with by Controller of Imports and Exports, Srinagar will be with the Joint Chief Controller of Imports & Exports, (C.L.A.), New Delhi.

(3) In the case of an application for recognition of new established importers and transfer of quotas, the first appeal will lie with the head of the office in which the application, was dealt with.

(4) The first appeals in regards to applications dealt with in the office of the Deputy Chief Controller of Imports and Exports (Iron & Steel), Faridabad, will lie with the Joint Chief Controller of Imports and Exports, Central Licensing Area, New Delhi.

(5) The first appeal under this paragraph should be made so as to reach the authority concerned within 45 days from the date of the order appealed against. No fee shall be charged on a first appeal. The appellate authority, may, on merits, condone the delay in filing the appeal if it is satisfied that the appellant could not make his appeal in time for adequate reasons.

261. *Second Appeal.*—(1) If the appellant is not satisfied with the decision of the appellate authority as indicated in paragraph 260 above, he may make a second appeal to the Chief Controller of Imports and Exports, New Delhi (Appeal Wing).

(2) A separate section has been set up in the Office of the Chief Controller of Imports and Exports, New Delhi, to deal with second appeals from registered

exporters pertaining to their applications made under the import policy for registered exporters. Such appeals should, therefore, be addressed to the Chief Controller of Imports and Exports, New Delhi (REP Appeals) within a period of 45 days from the date of the order appealed against.

(3) The second appeal in respect of other applications should be made so as to reach the Chief Controller of Imports and Exports, New Delhi (Appeal Wing) within a period of 45 days from the date of the order appealed against. The appellate authority may, on merits, condone the delay in filing the appeal if it is satisfied that the appellant could not make his appeal in time for adequate reasons.

(4) The second appeal should be accompanied by a treasury receipt of Rs. 10 towards payment of appeal fee deposited in cash at any Government Treasury or the office of the State Bank of India or the Reserve Bank of India for credit to the Central Government under the head "Import Licence Application Fees" subordinate to the major head '104—other General Economic Services'.

262. *Opportunity of hearing to the appellants.*—(1) If an appellant desires to be heard in person in connection with his appeal, he should say so specifically in his appeal. In such cases, an opportunity of hearing will be afforded to the appellant. If the appellant does not avail of the opportunity given to him, the appeal will be decided on the basis of the material available.

(2) Every effort will be made to dispose of a first appeal made to the Port Offices within 45 days of its receipt. A second appeal made to the Chief Controller of Imports and Exports, against the decision of the Port offices will ordinarily be disposed of within 90 days of its receipt. If, there is delay beyond these timelimits, due to unavoidable reasons, the Import Control authorities will inform the Appellant, the approximate time, within which, his appeal is expected to be disposed of. In case of inordinate delay, the Appellant can approach the Heads of Port Offices in regard to his first appeal or the Joint Chief Controller of Imports and Exports in charge of appeal in regard to his second appeal.

(3) Where a first appeal has not been finally disposed of within a period of 90 days from the date on which the first appeal was received by the authority concerned, it will be open to the appellants to prefer a second appeal in the matter to the Chief Controller of Imports & Exports without waiting for the decision on first appeal. In such cases, a copy of the first appeal should also be furnished with the second appeal.

(4) Where an applicant does not wish to avail of the facility of making first-appeal, he can straightaway file second appeal to the CCI&E, New Delhi, within the prescribed time limit.

263. *Documents to be submitted with appeal.*—(1) The 'first' appeal should be accompanied by a copy of the decision against which the appeal is made and a proforma giving the following particulars :—

- (a) Name and address of the appellant.
- (b) Category of importer.
- (c) Licensing period in respect of which the appeal is made.
- (d) Licensing authority against whose decision appeal is made.
- (e) Brief description of goods.
- (f) Serial No. and Part of the I.T.C. Schedule in respect of the goods in question.
- (g) A copy of the decision against which the appeal is made.
- (h) A brief statement indicating the reasons for which the application/first appeal has been rejected.
- (i) A brief statement of the grounds of appeal.

(2) The 'second' appeal should be accompanied by the following documents :—

- (i) A copy of the decision against which the appeal is made.
- (ii) A copy of the original application.
- (iii) The original documents forwarded with the original application, if the appeal is based on a point of fact. In case the said documents have been retained by the licensing authority, copies thereof, duly authenticated, should be produced.
- (iv) Any other documents relied upon in support of the contention raised in the appeal.
- (v) A proforma giving the particulars as referred to in sub-para (1) of the paragraph.

264. An appeal made under these provisions will be liable to be summarily rejected if it is not received by the appellate authority concerned within the prescribed period.

265. Second appeal addressed to the Chief Controller of Imports & Exports, New Delhi should be sent in duplicate. Similarly the 'first' appeal made to the Joint Chief Controller of Imports & Exports at Madras/Bombay/Calcutta/New Delhi (CLA), as the case may be, against the decision of the Import Trade Control Offices at Faridabad, Visakhapatnam, Pondicherry, Srinagar, Rajkot, New Kandla, Amritsar and Shillong, should be sent in duplicate.

266. The procedure regarding 'first' and 'second' appeals as contained in this chapter will also apply to the decisions of licensing authorities in cases pertaining to forfeiture of bonds or enforcement of legal agreements executed by importers resulting from non-fulfilment of an export condition or any other condition of an import licence. The 'second' appeals in such cases may be addressed to the Chief Controller of Imports & Exports, New Delhi (Export Obligation Cell).

267. (1) *Application for Review.*—An application for review of the decision on a second appeal will also be entertained by the Chief Controller of Imports and Exports, New Delhi. Such application should be made within 45 days of the date of the communication containing the decision sought to be reviewed. After an application for review has been disposed of, no further request for review will be entertained and no reply will be sent to any such communication. The appellate authority may, on merits, condone the delay in filing the appeal if it is satisfied that the appellant could not make his appeal in time for adequate reasons.

(2) The review application should be accompanied by a treasury receipt of Rs. 10/- towards payment of fees-deposited in cash at any Government Treasury or the office of the State Bank of India or the Reserve Bank of India for credit to the Central Government under the head 'Import Licence Application fees', subordinate to the major head '104—other General Economic Services'.

(3) The applicant should also furnish with his review application, a copy of the decision against which the review application is made and a statement of grounds on which the review application is based.

CHAPTER XIII

LETTER OF AUTHORITY

268. Under the Imports (Control) Order, 1955, dated 7-12-1955, as amended, no import licence can be transferred or acquired except under and in accordance with the written permission of the licensing authority or any other officer authorised in this behalf. Therefore, in cases where no such permission is granted, only the licensee is authorised to operate upon the licence issued to him, i.e. to place an order on the foreign supplier, to open a letter of credit, to make remittances of foreign exchange against the exchange control copy of the licence and to perform all other functions for the utilisation of the licence.

269. With a view to falling in line with the ordinary trade practice and, at the same time in order to exercise a proper check over the transfer of import licences, the licensing authority may authorise any person or concern to operate upon a licence on behalf of the licensee in accordance with the provisions stated below.

270. A licensee who desires another party to indent the goods from abroad or open a letter of credit or make remittances or to import the goods on his behalf against any particular licence issued to him, should apply for a letter of authority in favour of such party in respect of that licence. Such application should be made to the licensing authority who issued the licence. However, the application for the grant of letter of authority can be made to any regional licensing authority also. Also, in respect of licences issued for import from rupee payment area or licences issued under foreign credits/loans, the request for the issue of letters of authority will be entertained by any regional licensing authority. A specimen form of letter of authority is given in Appendix 25.

271. It may be clarified that a letter of authority issued in respect of a licence granted on annual basis will enable the holder of the letter of authority to operate upon both the halves of the value of the licence in terms of the policy in force and the conditions applicable to the licence, and it will not be necessary for the licensee to obtain a separate letter of authority in favour of the same person, for the second half of the value of the annual licence.

272. A letter of authority cannot be claimed as a matter of right. It will be granted only in respect of those licences where the licensing authority is satisfied that for genuine and bona fide reasons, the licensee is not himself in a position to operate on the licence. The licensing authority may also refuse to grant a letter of authority in favour of a person (or concern) who is, for the time being, subject to any action under Clause 8 or 8A of the Imports (Control) Order or the Exports (Control) Order.

273. (1) *Declaration to be furnished by the applicant.* The application for a letter of authority should be accompanied by a declaration from the licensee

stating that he has neither applied for nor obtained letter of authority in respect of the same licence from any other licensing authority. In cases where an application for a letter of authority has already been made or a letter of authority has already been obtained from any licensing authority in respect of a part value of the licence, it should be clearly stated in the declaration that the letter of authority already applied for or obtained does not cover the value for which a letter of authority is now desired. The reason for which the licensee cannot import the goods direct should also be explained in the declaration.

(2) The licensing authority may call for any other document/information for considering the request for the grant of a letter of authority. The request for the grant of letter of authority should be accompanied by the original licence for which the letter of authority is sought to be issued. (This will not apply to cases in which the request for the letter of authority is made in the import application itself).

274. (1) *Functions of the holder of letter of authority.*—A person or concern in whose favour a letter of authority is issued by a licensing authority in respect of an import licence, will act as the licensee's agent so far as the particular import licence is concerned.

(2) The function of the holder of a letter of authority will be limited, namely to operate upon the licence in question, i.e., to place an order, to open a letter of credit, to make remittances, to import the goods and clear the same through the Customs, on behalf of the licensee. The letter of authority holder can also apply, on behalf of the licensee, for revalidation of the licence. But he cannot make an application for any amendment in the licence or for the grant of a duplicate copy of the licence.

275. (1) *Conditions of letter of authority.*—A letter of authority issued under these provisions shall be deemed to have been issued subject to the following conditions :—

- (i) the person or concern in whose favour the letter of authority is issued will act only as an agent of the licensee and the goods imported shall be the property of the licensee both at the time of clearance through the Customs and subsequent thereto. The licensee will have to ensure that the goods, on importation, will be delivered to him and shall not be disposed of otherwise. The licensee shall not cause or permit the holder of letter of authority to dispose of the goods. If the licensee fails to take delivery of the imported goods within three months from the date of clearance through the Customs authorities, he shall inform the licensing authority concerned explaining the reasons for the same.

- (ii) the holder of the letter of authority shall clearly indicate on all the relevant Customs documents including the triplicate copy of the Customs Bill of Entry that the goods have been imported by him on behalf of the licensee. This endorsement will be duly attested by the Customs authorities.
- (iii) the holder of the letter of authority shall not, under any circumstances, be entitled to any quota licence or quota certificate on the basis of such imports.

(2) If, for any reason, the licensee has not been able to take delivery of the imported goods from the holder of the letter of authority and the licensing authority is satisfied that the goods, in question, will not serve the purpose for which the import was allowed, it may initiate action in respect of such goods under Clause 10-C of the Imports (Control) Order, 1955, dated the 7th December 1955, as amended.

276. *Licences issued to agencies owned or controlled by the Central Government and which are entrusted with canalisation of imports.*—(1) The Imports (Control) Order, 1955 has been amended to the effect, that the conditions under items (i) and (ii) of sub-clause (3) of clause 5 of the said Order shall not apply to the licences issued to the State Trading Corporation of India, the Minerals and Metals Trading Corporation of India and other similar institutions or agencies owned or controlled by the Central Government and which are entrusted with canalisation of imports. It may however, be clarified that even in respect of licences issued to such agencies, a letter of authority from the licensing authority will be necessary if the licence is to be operated upon by a person other than the licensee. But such letter of authority will be subject to such terms and conditions as may be settled between the licensee and the party concerned or which may be imposed by the licensing authority having regard to the purpose for which such party has been allowed to import the goods against the licence.

(2) Where a letter of authority in such cases is issued to an actual user on the condition that the imported goods will be utilised by the holder of the letter of authority in his own factory, the letter of

authority shall be subject to the "Actual User" condition indicated in paragraph 89 of this book.

277. *Import by Export Houses.*—(1) If an actual user desires to import goods against his licence for raw materials, components and spare parts through a recognised Export House holding a certificate of eligibility it will not be necessary for him to obtain a letter of authority in favour of such Export House. In such a case, the Export House can act as an indenting house and import the goods on behalf of the licensee, without obtaining prior permission of the licensing authority. The functions performed by the Export House in operating upon the licence shall, however, be subject to the same conditions as are applicable to the grant of letter of authority in terms of paragraphs 274 and 275 of this chapter.

(2) It shall not be open to a licence holder to import goods against the same licence through two different Export Houses.

(3) The Export House operating upon a licence under this provision shall be required to produce evidence before the Customs authorities and the authorised dealers in foreign exchange in support of its having been granted a certificate of eligibility as an Export House by the Chief Controller of Imports and Exports, New Delhi for the period during which it has operated upon the licence in question.

278. *Imports through Public Sector Agencies.*—(1) If an actual user desires to import goods against his licence for raw materials, components and spare parts through State Trading Corporation of India, or the Minerals & Metal Trading Corporation of India or any other similar institution or agency owned or controlled by Government, it will not be necessary for him to obtain a letter of authority in favour of such an agency. In such a case, the said agency can act as an indenting house and import goods on behalf of the licensee holding without obtaining permission of the licensing authority. The functions performed by the said agency in operating upon the licence shall, however, be subject to the same conditions as are applicable to the grant of letter of authority in terms of paragraph 268 and 269 of this Chapter.

(2) It shall not be open to an actual user to import goods against the same licence through two different agencies under this provision.

CHAPTER XIV

EXEMPTIONS FROM I.T.C. RESTRICTIONS

279. No licence is required for the import of goods mentioned under the 'Savngs' in Clause 11 of the Imports (Control) Order, 1955 dated the 7th December, 1955 as amended.

280. (1) Intermis of saving (i) of sub-clause (1) of the aforesaid clause 11 of the Imports (Control) Order, 1955, executive instructions have been issued to the Customs authorities to exempt the import of goods from the Import Trade Control restrictions, in the following types of cases :—

Bonding of exposed cinematographic films

(a) Exposed films imported and allowed to be bonded for preview or censorship or re-export by the Customs authorities may be exempted from I.T.C. restrictions.

Imports of emerald and other precious stones and diamonds on approval basis—examination of contents before clearance

(b) (1) The emeralds and other precious stones and diamonds imported by sea or air (otherwise than by post) and bonded on arrival for the purpose of inspection may be exempted from I.T.C. restrictions. Such quantities of goods as are approved after inspection may be allowed to be cleared against valid licences.

(2) This facility is not available in the case of imports of emeralds and precious stones by post parcel. Under the Universal Postal Convention, a parcel cannot be split up into two i.e., one part to be retained and the other part to be returned to the sender. The contents of the post parcels can, therefore, either be accepted or rejected in toto. However, the importer or his agent will be given facilities to inspect the contents of such post parcels under Customs' supervision, if the addressee so desires. The inspection will be allowed at the time and date specified by the Customs authorities. If the importer does not turn up for inspection at the appointed time and date, the parcel will be returned to the sender. If the importer accepts the parcel, he can secure its clearance against a valid licence and the value of the parcel as a whole will be debited to the licence, and the debit once raised against the licence will not be revoked.

Transfer of ship stores in cases where the vessels engaged on foreign trade are transferred to coastal trade

(c) In cases where the vessels engaged on foreign trade are transferred to coastal trade, the consumable stores on board the ship are allowed to be transferred red with the vessel on payment of Customs duty. Such transfer of stores will be exempt from I.T.C. restrictions.

Import of advertisement blocks

(d) Certain foreign concerns buy advertisement space in the Indian press and for that purpose, send

blocks to India. These blocks are intended to be destroyed after the relevant number of insertions have appeared. It has been represented that newspaper establishments are experiencing difficulty in clearing these advertisement blocks. As these blocks are imported free of charge and the related advertisements bring in foreign exchange, the consignment containing advertisement blocks supplied free of charge, will be allowed to be cleared without import licences provided the value of the consignment does not exceed Rs. 800.

Import of goods by post for personal use by individuals or for use by any institution or hospital—Extension of the concession to air freight parcels

(e) Under sub-paragraph (gg) of sub-clause (1) of Clause 11 of the Imports (Control) Order, 1955, import of goods by post for personal use of an individual or for use by an institution or hospital, is allowed without I.T.C. restrictions subject to certain limitations/conditions. This provision has also been extended to air freight parcels for the import of such goods by an individual for his personal use or by any institution or hospital for its own use, subject to the same limitations/conditions. It may be clarified that the value limits given in the said sub-paragraph (g) of the Imports (Control) Order are in c.i.f. terms and will, therefore, be inclusive of freight in the case of air parcels also.

Imports of goods by post or air freight for professional use by the individuals

(f) The provisions mentioned in sub-para (e) above will also apply to the import of such goods by post or by air freight parcels for professional use by an individual. It should be ensured that the goods so imported are for the use of the importers in his professional capacity only and not for commercial purposes.

Imports of certain goods by post or air freight for use by institutions and not for resale

(g) (1) The provisions mentioned in sub-para (e) above also apply to the import of such goods by post or by air freight parcels, for use by institutions and not for resale. This will include import of goods meant for rituals sent to Missionary Societies, records coming to the All India Radio, scientific instruments coming to educational institutions and others, where the principle of personal use would apply except that the user is not an individual but an institution. It may be clarified that the provisions of sub-clause 11(1) (gg) of the Imports (Control) Order, 1955 do not cover imports of trade consignment. Also, the term "institution" referred to in the aforesaid sub-clause includes only the educational, vocational, agricultural, medical, technical, technological and research institutions. Commercial and industrial concerns do not fall in the category of institutions.

(2) This concession does not apply to factories but where a factory has to import raw materials or spare parts by air urgently without waiting to obtain an import licence with a view to avoid any breakdown and where the facts are clear, such cases will be dealt with leniently by Collectors of customs in their discretion.

Payments for goods imported under sub-clause 11 (1) (gg) of the Imports (Control) Order

(h) It has been provided in sub-clause 11 (1) (gg) of the Imports (Control) Order, 1955, as amended, that payments in respect of goods imported under the aforesaid sub-clause, other than those received as gifts, will be remittable through authorised dealers in foreign exchange with the permission of the Reserve Bank of India. In connection with this provision, the following points are clarified—

- (a) The aforesaid sub-clause does not cover import of a gift parcel in respect of which the payment is made out of foreign currency account maintained abroad by the recipient of the gift.
- (b) Persons holding foreign currency accounts abroad, which can be operated upon with the permission of the Reserve Bank of India, can pay out of such funds in respect of goods imported under the aforesaid sub-clause, if otherwise admissible only with the permission of the Reserve Bank of India.

Facilities for importation of commercial samples and advertisement material

(i) The Government of India have acceded to the International Convention to facilitate the importation of commercial samples and advertising materials, which have been incorporated as item 44 (5) (a) of the Indian Customs Tariff. Under this item, samples of goods which are exempt from import duties under and in accordance with the said International Convention drawn up at Geneva on the 7th November, 1952 are allowed clearance free of duty and without Import Trade Control restrictions. Full details can, however, be ascertained from the Collector of Customs in India.

Gifts of food-stuffs, medicines and clothes

(j) Food parcels sent to India from abroad as gift may be allowed clearance without I.T.C. restrictions.

(k) The articles such as food stuffs, medicines, clothing and blankets imported into India by any charitable organisation or any individual as free gifts from any philanthropic organisation or individual abroad for free distribution to the poor and needy without any distinction of caste, creed or race, may be exempt from the I.T.C. restrictions, provided such imports are exempt from Customs duties leviable thereon, in terms of the Government of India Notification No. 84-Customs, dated the 13th August 1960, as in force. The intending importer should approach the collector of customs of the port of import for the grant of duty concession before importing the goods.

(l) Food-stuffs and provisions (excluding fruit products alcohol and tobacco) imported by a person

residing in India, but not being a citizen of India will be exempt from ITC restrictions provided (i) these are exempt from Customs duty leviable thereon in terms of the Government of India Notification No. 135-Customs dated the 20th June 1966 as in force and (ii) the c.i.f. value of foodstuffs and provisions, so imported, by a person does not exceed, in a year, Rs. 800/- in the case of a person having no dependent relative living with him, and Rs. 1,600/- in the case of a person having a dependent relative living with him.

Gifts to Indian Red Cross

(m) Goods received by Indian Red Cross Society as free gifts from abroad, will be exempt from I.T.C. restrictions, provided such goods are exempt from Customs duty.

Imports for International Children's Competition

(n) The Children's Book Trust, New Delhi-1, has been conducting children's competition in paintings and writing (in English only), known as 'Shankar's International Children's Competition'. The competition is held every year. The entries for the competition, i.e., children's printings, are received from foreign participant children. These paintings have no commercial value. It has been decided that import of children's paintings addressed to the Children's Book Trust, Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-1, may be allowed clearance without Customs clearance permits.

Imports of samples by exporters

(o) Samples imported by exporters for export promotion purposes, will be exempt from I.T.C. restriction, if such samples are imported against the blanket release of foreign exchange provided by the Reserve Bank of India for travel abroad.

Import of relief supplies and packages as free gifts under the Agreements concluded by the Government of India with foreign Governments

(p) Import of relief supplies and packages, received as free gifts, in respect of goods covered by an Agreement, entered into by the Government of India with a foreign Government, will be exempt from I.T.C. restrictions, provided such goods are also exempt from Customs duty, and their import is made by a Government agency or any other approved agency, in accordance with the terms and conditions laid down in the Agreement.

Temporary import of Scientific equipment etc. by approved institutions

(q) Import of scientific equipment and other goods mentioned below by non-profit making scientific or educational institutions as may be or have been approved by the Ministry of Education, New Delhi, for the purpose of scientific research or education of non-commercial nature subject to re-export condition, may be allowed without import licence, provided the goods, in question are exempt from customs duty and the import is covered by the Customs Notification No. 84/F, No. 11/75/70-Cus V, dated 11-9-1971 as

amended from time to time. The import of the following goods will be covered by this provision :—

- (i) Scientific equipment viz. instruments apparatus, machines or accessories therefor,
- (ii) Spare parts of scientific equipments referred to in (i) above.
- (iii) Tools specially designed for the maintenance, checking gauging or repair or scientific equipment which is used solely for purposes of scientific research or education.

(r) Import of Medical Equipment without ITC Restrictions—In the case of Doctors (medical practitioners), returning from abroad to set-up practice in India may be allowed to import medical equipment, whether new or used, of the value not exceeding Rs. 50,000/- cif provided (i) person concerned has been living abroad continuously for a period of not less than two years, (ii) the imported equipment is required for his own professional use in India, and (iii) the equipment in question has been purchased out of his foreign-exchange earnings abroad. The import in such cases may be allowed by the customs authorities without an import licence or a customs clearance permit.

(2) Imports for research and development : A provision has been made in the 'Savings' clause of the Imports (Control) Order to allow imports (without import licences) by technical and research institutions and Research and Development Units in the private or public sector, recognised by the Deptt. of Science and Technology, Government of India, New Delhi for their own use, up to a value not exceeding Rs. 1 lakh in a licensing period. The items permitted for import are scientific instruments, equipments, apparatus and appliances, whether electronic or electrically operated or otherwise, replacements parts thereof and components required for the construction of scientific instruments, equipments, apparatus and appliances whether electronic or electrically operated or otherwise and raw materials required for research and development and declared as such by the unit. Where goods covering the annual ceiling of Rs. 1 lakh are imported in more than one consignment, the importer shall give a declaration to the Customs authority at the time of clearance indicating the value of such goods already imported during the same licensing period. It will be obligatory on the part of the importer to inform the Dept. of Science and Technology within 30 days of the clearance of the goods through the Customs the particulars of the goods imported.

Imports under O.G.L. IV

281. (1) Under Open General Licence No. IV reproduced in Appendix 24 as amended, *bona fide* technical and trade samples or advertising matter excepting vegetable seeds falling under Serial No. 36 of Part IV of the old I.T.C. Schedule and new drugs, can be imported without an import licence provided (a) they are supplied free of charge, (b) their c.i.f. value in one consignment does not exceed Rs. 2,000 in the case of technical and trade samples and Rs. 1000 in the case of advertising matter and (c) the samples or advertising materials thus imported shall not be sold by

the importer. Under this concession, the Customs authorities may allow clearance, under Open General Licence No. IV of the permissible samples and advertising matter even if the importer concerned may have to pay for freight and insurance charges, provided the overall value of the samples or the advertising matter including freight and insurance charges, does not exceed the limits indicated above, in one consignment. In such an even the Collector of Customs will suitably endorse the relative Bill of Entry to enable the importer to secure remittance facilities from the Reserve Bank of India in respect of the freight and insurance charges. It has been represented that, in certain cases import of *bona fide* technical and trade samples, has to be effected by air freight parcels to meet urgent requirements whereby the c.i.f. value of the consignment exceeds the prescribed limit of Rs. 2,000/-. It has been decided that in respect of such supplies of *bona fide* technical and trade samples made free of charge, if the foreign supplier also bears the expenses relating to insurance and air freight, the Customs authorities may allow clearance, provided the import is otherwise covered by O.G.L. IV. The imported *bona fide* technical and trade samples in such cases will not be held up on the ground that the total value thereof has exceeded the specified limit of Rs. 2,000/- on account of the extra freight paid on importing by air.

(2) A question has been raised whether several consignments of *bona fide* technical and trade samples or advertising matter for value not exceeding Rs. 2,000/- in the case of technical and trade samples and Rs. 1,000/- in the case of advertising matter in each consignment sent by the same supplier to the same consignee, and received by the same mail, should be treated as one consignment or different consignment for purposes of clearance under O.G.L. IV. It has been decided that the import of several consignments in the manner indicated above, (although each consignment does not exceed the specified value limits), will tantamount to circumvention of ceiling placed for imports of *bona fide* trade and technical samples or advertising matter in one consignment and will not, therefore, qualify for the concession given in the O.G.L.

(3) Though the above O.G.L. does not specify any particular types of importers who are eligible to imports the samples, it is clarified that only such importers as are connected with the production of commercial sale or distribution of goods are expected to be supplied with free samples/advertising materials by the foreign suppliers. It has, therefore, been decided that importers who are not connected with the production or commercial sale or distribution will not be allowed the above concession. However, the Export Promotion Councils and Export Houses holding certificates of eligibility issued by them by the Chief Controller of Imports and Exports, New Delhi may be allowed the concession regarding the import of technical and trade samples under O.G.L. IV by the Customs authorities.

(4) It may be clarified that the Customs authorities will not allow an item sought to be imported as a trade sample under O.G.L. IV, if the import of such item is not permissible to actual users or establi-

shed importers under policy in force at the time of shipment of the item in question. The Customs authorities will also not allow an item sought to be imported as a technical sample if the importer is not engaged in the production of that item and is also not in a position to satisfy the Customs authorities that his scheme for the production of the item, in question has been approved by the sponsoring authority concerned.

(5) O.G.L. IV also permits (a) the import of free gifts of books upto the value of Rs. 1,000/- in favour of individuals or institutions and (b) free gifts of books of certain types upto a value of Rs. 1,000/- in favour of industrial concerns. The import policy does not permit the import of books of undesirable types. Therefore, the Customs authorities will not allow import of undesirable types of books, under O.G.L. IV or under Sub-paragraph 11(1) (gg) of Imports (Control) Order, 1955. The importers should consult the relevant import policy for this purpose.

(6) O.G.L. IV permits import of blue-prints and drawings (including micro films which are photographic reduction thereof) relating to machinery and plant sites, works and buildings, technical and research data imported in the form of micro film and which are supplied free of charge and are of no commercial value. It has been represented that in certain cases, where exporters undertake large scale contracts and projects abroad, they have to import 'drawings' against tenders, for which payment to foreign suppliers is also involved. It has been decided that the Customs authorities may, in their discretion, allow clearance in such cases even if payment to foreign suppliers is involved provided the c.i.f. value of the goods imported does not exceed Rs. 2,000/- and the import is otherwise covered by O.G.L. IV.

(7) Applications for import of trade and technical samples/advertising material in excess of the value limits permitted under O.G.L. IV may be considered by regional licensing authorities concerned on merits in terms of the policy in force, provided the goods to be imported are supplied free of charge and are meant for *bona fide*, use as technical or trade sample or as advertising material. Such requests should be accompanied by 'No Charge' invoice to prove that no payment is required to be made to the foreign supplier.

282. *Import of labels, price tickets and like articles for export products.*—It has been represented that exporters are finding it difficult to clear packages of labels, price tickets and like articles which are supplied to them by foreign buyers to be attached to the goods which are exported against specific orders placed by them. The Collectors of Customs may, therefore, in their discretion, allow clearance of labels, price tickets and like articles, without I.T.C. restrictions, provided they are satisfied on the basis of evidence produced to them that the articles, in question, are required for *bona fide* use in connection with confirmed export orders.

Imports by United Nations Organisation

283. Under saving (m) of sub clause (a) of Clause 11 of the Imports (Control) Order, 1955,

the imports of goods by officials of the United Nations Organisation and its specialised agencies who are exempt from payment of Customs duty under the United Nations (Privileges and Immunities) Act, 1947 will also be exempt from the Import Trade Control restrictions. This concession has been extended to the import of publications of the United Nations Organisation or its specialised agencies by their agents and such imports by the agents concerned would also be exempt from the I.T.C. restrictions provided the imports are exempt from the Customs duty under the United Nations (Privileges and Immunities) Act 1947 or its specialised agency, as the case may be, at the time of importation and the publications so imported are the property of U. N. O. for its specialised agency, as the case may be, at the time of importation.

Re-import of goods for removal of defects and subsequent re-export

284. The goods of Indian manufacture exported and received back by the manufacturer for consignee for repair and re-export are exempt from Import Trade Control restrictions, vide saving (1) in sub-clause (1) of Clause 11 of the Imports (Control) Order, 1955. It will be observed from the saving (1) that the re-import of goods will be permitted provided that (i) the Customs authorities are satisfied with the *bona fide* of the case and (ii) in the case of goods other than those exempt from Customs duty on re-importation under Customs Notification No. 132, dated the 9th December 1961, a bond is executed by the importer with the Import Trade Control authority at the port concerned to the effect that the goods thus imported will be re-exported after repair within six months. In such cases where the Customs authorities are satisfied with the *bona fides* of the case, they will refer the importer to the port licensing authority concerned for executing the necessary bond and release the goods after the bond is executed with the Import Trade Control authority. The Import Trade Control licensing authority will take a bond from the importer on stamp paper equal to the value of the goods and take further steps to ensure the compliance of the conditions of the bond. The bond should be guaranteed by a Bank surety.

Passenger's baggage

285. (1) Under sub-paragraph (1)(a) of Clause 11 of the Imports (Control) Order, 1955, goods imported by a person as passengers baggage are exempt from the necessity of an import licence subject to certain limitations/conditions, to the extent admissible under the Baggage Rules issued by the Central Board of Excise and Customs from time to time. It should, however, be noted that only such articles as are considered *bona fide* baggage under the Baggage Rules in force will be allowed to be imported without a licence under this provision.

(2) Relevant Customs Notification and Public Notices which give the details of the facilities for import of goods under Baggage Rules have been reproduced in Appendix 26 to this book. The rules applicable to tourists, Crew and Transfer of Residence Rules will also be found in the said Appendix.

(3) Applications for import of built-up cars, station wagons, jeeps, motor cycles, scooters, auto cycles, mini cars and mopeds are considered by the Chief Controller of Imports and Exports New Delhi (Headquarters Licensing Division). The procedure of submission of such applications is given in Appendix 27.

National Defence Donations

286. By Customs Notifications Nos. 168-Customs, 169-Customs, and 170 Customs all dated the 8th November, 1962, all articles donated to the National Defence Fund or to the Government of India for use of the Defence personnel; and wool, woollen fabrics and wollen apparel donated to the Indian Red Cross,

have been exempt from the payment of Customs duty. It has been decided that articles which are exempt from the payment of Customs duty in items of the aforesaid Notifications, will also be exempt from Import Trade Control restrictions.

Imports by Hospitals

287. Imports in respect of certain goods, upto specified value limits, are allowed by hospitals in terms of sub-clause 11(2) of the Imports (Control) Order, 1955, as amended. This facility will be available to hospitals, nursing homes and clinics whether public or private, run on commercial basis or other wise.

CHAPTER XV

BREACHES OF IMPORT TRADE CONTROL
REGULATIONS

288(1) : It is provided in Section 5 of the Imports & Exports (Control) Act 1947 (18 of 1947), as amended, that, if any person contravenes or attempts to contravene or abets contravention of any Order made or deemed to have been made under the said Act or any condition of a licence granted under any such order, or any authority under which imported goods were received from or through a recognised agency, he shall, without prejudice to any confiscation or penalty to which he may be liable under the provisions of the Customs Act, 1962 be punishable,—

- (a) Where the value of the goods, in relation to which such contravention or attempted contravention or abetment of contravention has been made, exceeds ten lakh rupees, with imprisonment for a term which may extend to seven years and also with fine, and
- (b) in any other case, with imprisonment for a term which may extend to three years and also with fine.

In the absence of any special and adequate reasons to the contrary to be recorded in the judgment of the Court, the imprisonment shall not be for less than six months.

(2) On November 4, 1975, the Imports & Exports (Control) Amendment Ordinance, 1975 (19 of 1975) was promulgated with a view to making provisions for stringent action for misuse of import facilities. The Ordinance was later replaced by the Imports & Exports (Control), Amendment Act, 1976. Under the aforesaid Amendment of the Act, powers have been given to the import and export trade control authorities, *inter-alia* to enter and inspect premises, to carry out search, to seize imported goods, to confiscate goods and to impose penalty for misuse of import facilities for an amount not exceeding the five times the value of the goods or materials or Rs. 1000/—, whichever is more.

(3) In terms of the provisions contained in clauses 8-A of the Imports (Control) Order, 1955 dt. 7.12.1955, the Central Government and the CCI&E (which includes a Joint CCI&E and a Dy. CCI&E) are empowered to debar an agency or importer or any other person from obtaining licences or allotments of imported materials for a specified period and to suspend the issue of licences to a licensee or importer or any other person pending investigation into an allegation.

(4) The Imports & Exports (Control) Act, 1947, as amended, and the Imports (Control) Order 1955, as amended, are reproduced in Appendices 1 and 2. Importers and other concerned should carefully read the provisions made in the Act and the Order.

Checking of utilisation of imported materials

289 (1). An import licence is issued subject to the condition, *inter-alia*, that the licensee shall maintain

an account of consumption and utilisation of the imported materials in the prescribed manner and produce such accounts to the licensing authority/sponsoring authority or any other concerned authority within such time as may be specified by such authority. In order to check proper utilisation of imported materials by actual users against REP licences and A.U. licences, a new system of checking has been introduced which will be in addition to the existing arrangements. Under this system, the licensing authority may, in consultation with State Directors of Industries and other sponsoring authorities, carry out the necessary verification on random and selective basis into the extent to which and the manner in which actual user has utilised the imported material in accordance with the condition subject to which the import/allotment of such material was allowed.

(2) A Release Order issued to an actual user under the import policy for Actual Users or Registered Exporters is subject to the condition, *inter-alia*, that the Release Order holder shall maintain an account of consumption and utilisation of the imported materials in the prescribed manner and produce such accounts to the licensing authority/sponsoring authority or any other concerned authority within such time as may be specified by such authority.

(3) During 1976-77, a new system has been introduced under which Actual Users will be able to obtain allotments of certain imported materials directly from the canalising agencies without having to obtain a recommendation from the sponsoring authority or a Release Order from the licensing authority. For this purpose, the Actual Users will be required to make an application for allotment to the canalising agency concerned in a prescribed form in terms of import policy contained in Red Book (Vol. I). Such allotments of imported materials obtained from canalising agencies shall be subject to the normal Actual User condition, namely, that the material obtained shall be used in the allottee's own industrial unit at the address shown in the application for such allotment and for the purpose for which the allotment is made, or may be processed in the factory of another manufacturing unit, but no portion thereof shall be sold to any other party or utilised or permitted to be used in any other manner. The goods so processed in another factory shall, however, be utilised in the manufacturing processes undertaken by the allottee. The allottee shall maintain a proper account of consumption and utilisation of the imported materials in the prescribed manner and produce such account to the licensing authority, sponsoring authority or any other authority concerned, within such time as may be specified by such authority. Any contravention of these conditions or any misrepresentation of facts or wrong declaration in obtaining such allotments shall be liable to action under the Imports :

Exports (Control) Act 1947, as amended and the Order issued thereunder.

290. The following types of offences will, *inter alia*, constitute breaches of Import Trade control regulations :—

- (i) Applying for an import licence on the basis of false or fabricated or tampered with or forged essentiality certificate or recommendation of the State Director of Industries or the Director General of Technical Development or any other certifying or sponsoring authority, or obtaining such certificate or recommendation by misrepresentation or fraud.
- (ii) Applying for an import licence on the basis of false or fabricated or tampered with or forged quota certificate or, obtaining such quota certificate by misrepresentation or fraud or on the basis of documents which are false or fabricated or forged or tampered with.
- (iii) Applying for an import licence by concealing the change, of any, in the ownership, constitution or name of the business.
- (iv) Applying for an import licence on the basis of Bill of Entry or any other documents(s) which pertain to unauthorised imports and where the fact of unauthorization has been concealed or withheld.
- (v) Applying for an import licence on the basis of a certificate of an auditor or a chartered accountant or any other document which is false or fabricated or forged or tampered with or which has been obtained by misrepresentation and importer means, or which contains incorrect information.
- (vi) Applying for an import licence on the basis of false or fabricated or tampered with or forged order purported to have been placed by a Government Department for the supply of goods sought to be imported.
- (vii) Applying for an import licence on the basis of a wrong or invalid Income-tax Verification Registratoin/Exemption number or obtaining such number on the basis of false or fabricated or tempered with or forged Income-tax clearance Certificate or if such certificate has been obtained from the Income-tax authorities by misrepresentation and improper means.
- (viii) Applying for a import licence on the basis of past imports which do not qualify for establishment/refixation of quota in terms of the policy in force.
- (ix) Applying for more than one import licence for the import of the same goods during the same licensing period on the basis of past imports made during different financial years
- (x) Applying for licences separately in the name of different branches of the same concern for the same goods on the basis of imports falling in different basic years, unless otherwise provided.
- (xi) Applying for more than one import licence for the import of the same goods during the same licensing period on the basis of different documents pertaining to past imports made during the same financial year.
- (xii) Applying for an import licence in more than one capacity *i.e.* as an establishment importer and actual user where the applicant is not entitled to a licence in both the capacities in terms of the provisions of this book or the policy in force.
- (xiii) Applying for an import licence on the basis of any statement which is false, fraudulent or misleading.
- (xiv) Tampering with an import licence.
- (xv) Soliciting of licences by offering inducement to the holder of licence or otherwise.
- (xvi) Smuggling of goods or importing goods without the cover of a valid licence or tempering with a licence or in the list of goods attached to the licence by removing the original entries or otherwise.
- (xvii) Applying for duplicate copy of a licence or quota certificate by misrepresentation of facts.
- (xviii) Obtaining clearance of goods from the Customs by producing false or fabricated or purported to have been issued by the I.T.C. tempered with or forged recommendation authority or obtained such recommendation by misrepresentation.
- (xix) Any corrupt for fraudulent practice in commercial dealing or in obtaining any licence on the part of the applicant for licence or any of his agents or employees.
- (xx) Contravention of the conditions embodied in a licence or accompanying a licence or an application for a licence.
- (xxi) Selling of goods imported against actual user licences in contravention of the condition of the licences.
- (xxii) Misusing the goods received by way of allotments through the State Trading Corporation of India. Minerals and Metals Trading Corporation of India or any other recognised agency.
- (xxiii) Trafficking in licences *i.e.*, illegal transfer or acquisition of import licences.
- (xxiv) Sale of goods by a licensee, prior to their clearance through the Customs or purchase of any such goods.
- (xxv) Misdeclaration of value, Sort, quality or quantity in respect of any goods on their importation.
- (xxvi) Contravention of any law, rules or regulations relating to Customs or the import and export of goods or of any law relating to foreign exchange.

- (xxvii) Refusal to produce any documents or information or books of account required by licensing authority.
- (xxviii) Refusal to produce any documents or information, imported by any person on a letter of authority issued by the licensing authority.
- (xxix) Failure to comply with the conditions subject to which a letter of authority is issued.
- (xxx) Applying for an import licence in the name of a fictitious concern.
- (xxxi) Applying for an import licence under the import policy for registered exporters on the basis of the exports which are overinvoiced in relation to the value having the meaning as defined in sub-section (1) of Section 14 of the Customs Act 1962, or non-fulfilment of the conditions of undertaking/bond furnished by the applicant to the licensing authority or failure to fulfil export obligation against the imports made.
- (xxxii) Applying for an import licence under the import policy for Registered Exporters on the basis of any false or fabricated bank certificate or shipping documents, or any other documents or by misrepresentation of facts in relation to value, quantity, quality, sort or specification, etc., of exported goods.
- (xxxiii) Failure to comply with the distribution control in respect of imported goods where such control is applicable in terms of the policy in force.

N.B.—A licence includes a Customs Clearance Permit or a release order for allotment of imported goods, for purposes of the provisions of this paragraph also.

291. (1) Where a licence has or had been issued at any time provisionally or through error or inadvertence or is in excess of the licence holder's entitlement or has been obtained by misrepresentation or contrary to rules and regulations in force, it will be open to the licensing authority to set off the value of such licence or adjust the same against the licence holder's subsequent entitlements under any category for that item or any other item or items without prejudice to any other action that may be taken in this behalf.

(2) Attention of the trade is also invited to the provisions contained in paragraph 92 of this book relating to misuse of the goods imported against a licence by an actual user or the goods received by any person through the allotment made by the State Trading Corporation of India or any other recognised agency.

292. *Cancellation of Release Order.*—(1) The licensing authority may cancel a release order issued for allotment of imported goods through a public sector agency, or otherwise render it ineffective :—

- (a) if the release order has been granted through inadvertence or mistake or has been obtained by fraud or misrepresentation;
- (b) if the release order has been granted contrary to the rules or the import policy in force;
- (c) if the holder of the release order has com-

mitted a breach of any condition of the release order;

- (d) if the licensing authority is satisfied that the release order will not serve the purpose for which it has been granted; and
- (c) if the release order holder has committed a breach of any law or rules and regulations relating to the import or export of goods.

(2) The licensing authority may also suspend the operation of a release order pending investigation into one or more of the allegations mentioned in sub-para (1).

(3) Before taking action under sub-para (1) and (2) above, the release order holder will be given a reasonable opportunity of being heard in the matter.

Appeals

293. (1) Clause 16(2) of the Imports (Control) Order, 1955, provides that where any person is aggrieved by any action taken under clause 8 or 8-A he may prefer an appeal against such action to such authority as the Central Government may by notification in the Official Gazette constitute for the purpose of hearing appeals, within 30 days from the date of communication of the action taken.

(2) In exercise of the powers referred to in subparagraph (1) of this paragraph, the Central Government have constituted the following authorities for the purpose of hearing appeals against the action taken under clause 8 or 8-A of the Imports (Control) Order, 1955.—

- (i) Where action is taken by Joint Chief Controller of Imports and Exports, or by Deputy chief Controller of Imports & Exports, the appeal will lie with the Chief Controller of Imports and Exports, New Delhi.
- (ii) Where the action is taken by an authority other than any authority referred to in item (i) above the appeal will lie with a Committee consisting of the Secretary, two Joint Secretaries and the Chief Vigilance officer, in the Ministry of Commerce, New Delhi.

The notification issued by the Central Government in this regard is reproduced in Appendix 2.

(3) The appeals made under this provisions should be accompanied by an attested copy of the order appealed against and any other documents or information that may be relied upon by the appellant. The appeal should also be accompanied by a proforma giving the following information :—

- (a) Authority against whose decision appeal is preferred.
- (b) Date of the order appealed against.
- (c) Whether the appeal is against debarment or suspension from receiving licences (in the case of debarment, the periods for which the appellant has been debarred from obtaining licences may also be indicated);
- (d) The grounds of appeal, (in brief).

(4) A copy of the appeal should invariably be sent by the appellant to the authority against whose decision the appeal is made.

CHAPTER XVI

UNAUTHORISED IMPORTS

294. *Valid imports.*—Import is validly covered by a licence when the description, value and the quantity of imported goods are in accordance with the licence and the shipment/despatch of the goods from the supplying country takes place within the period of validity of the licence.

295. *Import licences are without prejudice to the other prohibitions.*—An import licence is issued without prejudice to the operation of other prohibitions or laws to which the imported goods may be subject. For instance, if, under the health laws, imported plants have to be fumigated or animals inoculated, the relevant regulations have to be strictly observed. Similarly, the regulations under the Drugs Control Act, the Arms Act, the Explosives Act, the Excise Act and such other Acts, as may apply to the goods sought to be imported, will have to be strictly followed.

296. *Imports not covered by licences.*—If any article, requiring a licence, is imported or sought to be cleared without a valid licence, its entry into the country will be treated as unauthorised and the importer/owner of the goods will be liable to punishment under the provisions of the Customs Act, 1962 without prejudice to any other action that may be taken in this behalf under the Imports and Exports (Control) Act, 1947 and the Order issued thereunder. In such cases, the Import Trade Control authorities will not regularise the import by an ex-post-facto licence nor will they amend the existing licence in any manner to cover such imports.

297. *Custom's jurisdiction.*—The clearance of goods and the assessment of duty will be dealt with by the Customs authorities. It is within the jurisdiction of the Customs authorities to determine whether or not the goods imported are in conformity with the description given in the licence. Although in case of doubt in regard to the correct description of goods given in the licence or any other matter concerning the import, the Customs authorities may consult the Import Trade Control authorities, the final responsibility in the matter rests with the Customs authorities.

298. *Difference in I.T.C. classifications.*—Ordinarily, if the article imported is in accordance with the description given in the licence and the import is otherwise covered by the licence, the clearance will be allowed by the Customs even though there may be a difference of opinion in regard to the correct I.T.C. classification of the goods in question. However, in such an event the Customs authorities will be entitled to assess the Customs duty in accordance with their rules and regulations. On any point of clarification for purposes for assessment of import duty, the Collector of Customs/the Central Board of Excise & Customs in appeal are the final authorities. No appeals in this regard will be entertained by the I.T.C. authorities.

299. *Joint Committee.*—In order to help the importers in cases of genuine difficulties, a joint committee of the Import Trade Control and the Customs

authorities has been set up at each port. The Committee meets regularly and deals with both pre and post-importation enquiries and difficulties of importers.

300. *Requests for amendments to be made before shipment.*—If the importer finds discrepancy in a licence, he should immediately apply to the licensing authority concerned for an amendment in the licence. The request for such an amendment should be in any case be made before the goods have been shipped/despatched from the supplying country, so that if, for any reason the change or amendment is not permitted, the importer may be able to advise his suppliers to make the necessary adjustment. In seeking any amendment or revalidation of a licence, it should clearly be pointed out by the applicant whether or not shipment/despatch of goods covered thereby has already been made either wholly or partly. Any misleading or wrong statement in this behalf will render the licensee/importer liable to action under the Import Trade Control rules and regulations.

301. The requests, if any, for amendment of a licence made after the shipment/despatch of the goods from the supplying country will be summarily rejected by the I.T.C. authorities. The matter in such an event will rest with the Customs authorities. The importers should, therefore, approach the Customs authorities who will deal with the cases with reference to the relevant rules.

302. *Penalty for unauthorised imports.*—The fine/penalty imposed in respect of unauthorised imports is likely to be heavy and may lead to even confiscation of the goods or prosecution of the importer/owner of the goods. In special circumstances, the importer/owner of the goods may be allowed to re-ship goods; but, in such a case also, the importer/owner of the goods will be liable to pay fine/penalty. Therefore, the importers should, in their own interest ensure that what is being imported by them into the country is in strict conformity with the licence-description in every respect and that the consignment is neither in excess of the licensed value or quantity limitations nor different in any way from what is authorised to be imported.

303. *Clearance of goods when the importer is unable to produce the licence.*—In cases where an importer claims to have a valid import licence to cover the goods imported by him but is unable to produce the licence to the Collector of Customs at a particular port owing to simultaneous arrival of the goods covered by the licence at different ports, or for any other reasons, the Collector of Customs may, if he is satisfied with the plea put forward by the importer, permit clearance of the goods in so far as Import Trade Control Regulations are concerned on the importer executing a bond or a letter of guarantee in form given in Appendix 28 to this book. It is at the discretion of the Collector of Customs either to accept the bond or the letter of guarantee from the importer for the production of the import licence for the goods at a later date.

CHAPTER XVII

MISCELLANEOUS

304. *Port of entry.*—(1) Except where otherwise provided an import licence will be valid for importation of goods only at the port of registration indicated in the import licence.

(2) The importers should, therefore, in their own interest, obtain separate licences for the goods to be imported through different ports. For this purpose, the value of the goods, intended to be imported at each port should be given separately in the application for the licence.

(3) The licensing authorities may consider requests for issue of "split up" licences for clearance of goods at customs ports other than the port of registration indicated on the main licence. The licensee should produce adequate justification in support of such request. While issuing "split up" licences, the value of the main licence will be correspondingly reduced. The request for "split up" licences will be entertained only prior to the registration of the main licence at the specified customs port of registration. Split up licence will have the same period of validity as the main licence. For clearance of goods through different sections of the same Customs House, the provisions of paragraph 305(1) will apply.

(4) The application for "split up" licences should be accompanied by treasury receipt showing the payment of the prescribed application fee of Rs. 5 for each "split up" licence.

Subsidiary licences

305. (1) In order to facilitate the clearance of goods through different sections of the same Customs House, the licensing authorities at the ports will consider requests for the issue of subsidiary licences against an existing licence. The request for the issue of subsidiary licence can be made to any port licensing authority. Such requests will also be entertained by the regional licensing authorities in respect of licences issued from the Headquarters Office of the Chief Controller of Imports and Exports, New Delhi.

(2) *Subsidiary licences for clearance of goods at airports.*—Requests for issue of subsidiary licences will also be considered for the clearance of goods through the Customs authorities at the airports.

(3) *Applications for subsidiary licences.*—The following points should be borne in mind by the applicants while applying for subsidiary licences :—

- (i) Applications for subsidiary licences should be made sufficiently in advance of the despatch/shipment of goods from the supplying country. A licensing authority may, however, consider an application for the grant of a subsidiary licence after the expiry of the main licence to enable the licensee to clear goods shipped within the validity period of the main licence.

- (ii) The facility of the grant of subsidiary licences will be given irrespective of the value of the original licence.
- (iii) The subsidiary licences, where granted, will be subject to face value restrictions or any other conditions applicable to the main licence. It is open to the importers to apply for and obtain separate subsidiary licences specifically valid for the items with face value restrictions up to the permissible limits. These licences showing the value of restricted items permissible against the main or original licence will also be valid for import of non-restricted items.
- (iv) The applications for subsidiary licences should also be accompanied by treasury receipt showing the payment of the prescribed application fee of Rs. 5 for each subsidiary licence.
- (v) Subsidiary licence will have the same period of validity as the main licence. The re-validation, if any, granted in respect of the main or original licence will also apply to the subsidiary licence. For facility of clearance, the licensing authorities will indicate the period of validity on the subsidiary licence.
- (vi) The number and date of the main licence will be endorsed on the subsidiary licence for facility of reference and check.

While issuing a subsidiary licence, the licensing authority will make a suitable endorsement on the main licence (both customs and exchange control copies) making it invalid for clearance of goods and for remittance to the extent of the value/items of the subsidiary licence.

Payment to suppliers

306. (1) When goods are to be imported under an Open General Licence or Special General Licence, authorised dealers in foreign exchange have been permitted to open letters of credit or make remittances to cover the imports on their being satisfied that the goods ordered are covered by the Open General Licence or the Special General Licence.

(2) With regard to goods not covered by an Open General Licence or Special General Licence, no letters of credit can be opened or remittances of foreign exchange made unless the importer is in possession of a valid import licence with exchange control copy. When applying to an authorised dealer in foreign exchange for remittance of foreign exchange, the licence holder should produce before him the copy of the licence marked 'for exchange control purposes.'

(3) It should be noted that in opening any letter of credit, the date of expiry of the O.G.L. or S.G.L. or the valid licence should be kept in view for determining the period for which the letter of credit should be kept open for negotiation.

307. *No remittances in advances of the receipt of the shipping documents.*—It may be noted that whereas letter of credit can be opened on the basis of the exchange control copy of the licence in advance of the shipment/despatch of goods, remittances can be made only on receipt of shipping documents. In the case of licences for Capital Goods and Heavy Electrical Plant, however, a part payment may be authorised by the Reserve Bank of India as an earnest money payable to the foreign suppliers.

308. (1) The value shown in an import licence is always the c.i.f. price of the goods to be imported, and it includes commission allowed by the supplier/manufacturer to the importer or agent. The value debitable to an import licence for Customs purposes will be the c.i.f. value of goods imported as assessed by the Customs authorities. The remittance against goods covered by the import licence would however, be governed by the Exchange Control Regulations and it will exclude commission, discount or like rebates allowed by the foreign supplier/manufacturer to the importer/agent. Therefore, the licensing authority will specifically endorse a condition on the licence to the effect that payment authorised to be made against it shall not cover commission, discount or like rebates allowed by foreign supplier/manufacturer to the importers/agents in India.

Note : The c.i.f. value of the goods also includes stevedoring charges, as it forms a part of the freight and such charges are debitable to the licence.

(2) The c.i.f. value cannot also be used to the full extent if the stores are shipped f.o.b. In such an event, a margin has to be left to cover the cost of insurance and freight to be paid for in rupees. When either the freight or insurance is paid in rupees in India, the amounts will be deducted from the value of the licence by the authorised dealer in foreign exchange.

Requests for enhancement in value

309. Importers are required to take steps to ensure that the c.i.f. value shown in the licence is not exceeded in any case unless otherwise notified. The only types of cases where requests for enhancement in the value of the licence are entertained are :—

- (a) Capital goods;
- (b) H.E.P. licences;
- (c) H.E.P. licences issued against Government contracts;
- (d) Licences granted to Actual Users in exceptional cases.

In each case, the reasons for the increase have to be satisfactorily explained and documentary evidence in support of them has to be produced. The enhancement will be solely at the discretion of the licence issuing authority.

Currency in which payment may be made

310. Normally foreign remittances are allowed by the Exchange Control authorities only in the currency of the country of origin of the goods in question as stated in the import licence, or by payment in sterling or rupees to the account of a resident in that country. In the case of f.o.b. contracts however, payment of freight and insurance may be made in rupees, or in the currency of the country in which the shipping company is registered or the insurance policy is issued. If importers require any further information in this behalf, they may consult the authorised dealers in foreign exchange or the Reserve Bank of India.

Provisional debiting of import licences by Customs Houses

311. Import licences are sometimes debited with 'Loaded Values' of the imported goods by Customs Houses on a provisional basis. On subsequent verification or on appeal, the quantum of loading is sometimes reduced after several licensing periods. Revalidation of a licence on account of reduction in the "loaded value" will not be granted.

Banks as joint holders of licences

312. (1) It has been observed that when a importer opens an irrevocable letter of credit through a bank and later fails to honour his bills, the bank concerned, which is committed for the payment of the exchange to the foreign suppliers, finds itself in difficulty to import as it is not the licence holder. As a safeguard against this contingency, the exchange bank or authorised dealer through whom the letter of credit is opened is considered as a joint holder of the licence to the extent of the goods covered by the credit which would thus enable the bank to honour its commitments with foreign supplier. The procedure in this respect is contained in Public Notice No. 60-ITC(PN)/50, dated the 21st July, 1950, reproduced in Appendix 29.

(2) In the types of cases referred to in sub-para (1) of this paragraph and also in cases where the goods are pledged with a Bank or a State Finance Corporation and the borrower does not meet his obligation, the imported goods lying with the Bank or the State Finance Corporation, as the case may be, will be dealt with in accordance with the provisions of Clause 10C of the Imports (Control) Order, 1955, as amended. In such cases, sale of goods to actual users or S.T.C./M.M.T.C., State Small Industries Corporation, or any other similar agency, may also be effected in terms of the procedure laid down in para 94 of this book.

Established importers-cum-manufacturers

313. (1) An established importer-cum-manufacturer is eligible to claim a licence-only in one capacity, i.e., either as an established importer or as an actual user, as indicated below :—

- (a) If an established importer of a commodity is also the manufacturer of a product in the process of the manufacture of which that commodity is required, the established importer-cum-manufacturer would be entitled

to claim a licence only in one capacity— as an established importer or as an actual user—and not in both the capacities.

- (b) If an established importer of a finished product and/or its components is himself or through his associate concern engaged in the manufacture of that product and/or its components as an actual user, the actual user and his associate concern(s) will surrender their quotas for the finished product and/or its components as established importers, provided that in exceptional cases where the commencement of production is likely to be delayed, they will be allowed to claim quota licences till the production has actually commenced.

(2) *Clarification of the above provisions.*—The following clarification is made to define the scope of the application of the above provisions with respect to certain types of cases :—

(i) *Cases in which the established importer-cum-manufacturer has a quota for a commodity which is also required as a raw material for use in the manufacture of a finished product.*—(a) If the raw material falls under a S. No. or sub. S. No. as the case may be which covers only one item, the established importer-cum-manufacturer shall surrender his claim for a licence for the raw material in one capacity, i.e., either as an established importer or as an actual user.

(b) If the raw material falls under a S. No./Sub. S. No. which covers more than one item, the established importer-cum-manufacturer will be allowed to claim in addition to an actual user licence, a quota licence to import only such other items falling under the particular S. No./Sub. S. No. as are not covered by his actual user licence. In such cases only the past imports of admissible items will be taken into account for the grant of the quota licence.

(ii) *Cases where the manufacturer of a finished product has in his own name or in the name of his associate concern(s) a quota for that product.*—In such cases, if the manufacturer is engaged in the manufacture of only particular type(s) of the product, he or his associate concern(s) will be entitled to claim a quota licence for import of such other type(s) of the product as are not included in their manufacturing programme and only their past imports of such other type(s) of the product as are not included in their manufacturing programme will be taken into account to determine their quota entitlement. But the quota will be subject to revision consequent on the expansion of the manufacturing activities.

(iii) *Cases where the manufacturer of a finished product has in his own name or in the name of his associate concern(s) a quota for the components of the finished products.*—

In such cases, the manufacturer and his associate concern(s) will be entitled to claim a quota licence for such components as are (a) not covered by his actual user licence and (b) not covered by his manufacturing activities. Only the past imports of admissible components will be reckoned for the grant of quota licences for components in such cases and the

quota would be subject to revision consequent on the expansion of the manufacturing activities.

(iv) These principles would be followed with regard to grant of quota licences when goods imported against the quota licence are required for stock and sale. However, in cases where the goods sought to be imported against quota licence(s) are required for servicing/repairs, the quota licence(s) would be validated on ad-hoc basis on the discretion of the licensing authority to meet the servicing/repair requirements.

(v) There may be certain types of cases where the importer-cum-manufacturer holds a quota certificate for machinery/equipment/accessories and he may require the same goods for installation of a factory or for replacement purposes thereafter. In such cases, the established importer-cum-manufacturer would have the option to claim either the quota licences or an actual user licence (including C.G./H.E.P.).

(3) *Definition of associate concerns.*—For the purpose of the above provisions, or for other purposes under the import policy and procedures, the following will be the criteria for determining whether the two concerns are associates :—

- (i) The two concerns are assessed to income tax jointly i.e. have a common IVC Number, or they have common ownership.
- (ii) The two concerns have separate IVC Numbers, and have no common ownership, but (a) a partner in one of the concerns having major share therein, is the proprietor of the other, or (b) the proprietor of one of the concerns is a partner in the other concern having major share therein, or (c) or partner or set of partners in one of the concern have major share in the other.
- (iii) One of the concerns is a limited company and any director of the limited company has interest in the other concern as proprietor.

Re-import of goods after repairs abroad

314. (1) The goods which are covered by Saving (k) of Clause 11 of the Imports (Control) Order, 1955 dated 7th December, 1955, as amended can be imported into India from any country without Import Trade Control restrictions.

(2) In the case of goods which are not covered by the Saving clause mentioned above, and which are exported for repairs and subsequent return, the importer should secure an import licence in advance, and the goods for repairs should be exported only after obtaining the licence for their reimport. The application for import licence should be made to the licensing authority concerned. Failure to comply with the requirement will render the application for licence Customs Clearance Permit for re-import of the goods repaired liable to be rejected. In cases where the change, the amount to be remitted towards the reimport of articles after repairs involves foreign exchange, the amount should be indicated in the application for licence and the application should be supported by a certificate from the D.G.T.D. to the effect that the goods in question cannot be repaired in India.

Re-import of samples of Indian origin sent abroad for the purpose of securing orders

315. (1) For re-importation into India of samples sent or taken to foreign countries by Indian businessmen a provision already exists in Saving (K) of Clause 11 of the Imports (Control), Order, 1955 dated 7th December, 1955, as amended whereby such samples as are exempt from payment of Customs duties on re-importation, would be allowed to clearance without an import licence. But in order to qualify for this concession, there are certain Customs formalities to be observed and the Indian traders who do not comply with such formalities have to face difficulties in the clearance of such samples on re-importation. Therefore, the trade, in its own interest, should contact the Customs authorities before exporting the samples to foreign countries and ensure that the conditions qualifying for the duty free reimportation of the samples are fulfilled.

(2) However, in cases where samples on reimportation do not qualify for the above concession, it is open to the Indian businessman to secure import licences in advance to cover the reimport. Applications for import licences for the reimportation of such samples should be submitted to the regional licensing authorities and should be accompanied by an evidence to show that the samples which were taken or sent to foreign countries, are being re-imported.

(3) In the case of businessmen/industrialists returning from abroad, who are bringing into India such samples, the requirement regarding submission of I.V.C. Registration/Exemption Number will be dispensed with for the purpose of the application for import licence as in the case of such applicants, it may be difficult to comply with this requirement. In cases other than those of businessmen/industrialists returning from abroad also, the requirement regarding production of I.V.C. Registration/Exemption Number will be dispensed with if the re-importation takes place within three years of export. The payment of application fee will be waived in all such cases.

Import of samples and literatures relating to products to be manufactured for export

316. (a) Applications for the import of samples and literatures relating to products to be manufactured in India for export, will be considered on merit on *ad hoc* basis by the licensing authorities concerned. The applicants should give full justification for their requirements in such cases. The applications should be made in the form prescribed for actual users and should be accompanied by a treasury receipt for the requisite amount towards application fee.

(b) Import of samples may be allowed by the customs authorities without import licence in cases where (i) the value does not exceed Rs. 500/-, (ii) the import is made by post parcel or by air-freight parcel and (iii) the importer is a registered manufacturer exporter and produces evidence to this effect to the customs authorities at the time of clearance and to the Reserve Bank of India at the time of making remittance. In such cases, remittances to the foreign supplier will be allowed by Reserve Bank of India.

Import of empty gas cylinders for re-export after being filled with gas

317. Applications for the grant of Customs Clearance Permits will be considered by the licensing authority concerned for the import of empty gas cylinders falling under Serial No. 65(5) (iii)/V of the old I.T.C. Schedule which are to be re-exported after being filled with gas. The procedure to be followed in such cases will be as under :—

- (a) The importers should apply for a Customs Clearance Permit to import empty gas cylinders in respect of their six months' requirements, i.e., number of cylinders which they will be able to re-export after being filled with gas within a period of six months.
- (b) The applicants should also produce evidence to show that their requirements are genuine and that they have been in the particular trade.
- (c) The Customs Clearance Permits, where granted, will be subject to the condition that the licensee shall re-export the cylinders after filling them with gas within a period of six months from the date of importation. The importer will also be required to execute a bond with a surety from an insurance company or a chamber of commerce at the time of importers of good standing who have with this condition. However, in the case of importers of goods standing who have been in the line and whose past performance has been satisfactory, the licensing authority concerned may, in its discretion, dispense with the surety.
- (d) At the time of clearance of the imported cylinders, the importer will be required to produce to the Customs authorities a certificate suitability of the cylinders from the Director of Explosives, Nagpur. While the required certificate, the importer should furnish particulars of the cylinders, in question indicating (i) the name and address of the manufacturer of the cylinders, (ii) specifications to which the cylinders conform, (iii) specifications to which the valves fitted to the cylinders conform and (iv) serial number of the cylinders.

Import of machinery and equipment designed on the metric system

318. (1) Legislation has been enacted to decimalize currency, weights and measures. The Coinage (Amendment) Act, 1955 was brought into force on 1st April, 1957, and decimal coinage is now in circulation in the country. The Standards of Weights and Measures Act, 1956 has been brought in to force with effect from the 1st October, 1958 in certain specified areas in States and Union Territories and in respect of certain specified classes of undertakings and of goods. The Act provided for a transitional period of 10 years from its date of enactment.

(2) Importers of machinery are requested to take note of these developments and to endeavour to import machinery which should be able to work to metric measurements. It is realised that for a certain number of years both the metric and the foot-pound systems have to continue side by side. To the extent, therefore, that machinery and equipment on foot-pound system is required for replacements either in regard to spare parts or even complete machine, their imports will be allowed after scrutiny of their need.

(3) Metric system has become the only legal system of weights and measures in the country. Importers of machinery are requested to take note of this development and to import machinery which would be able to work on metric measurements. Weighing or measuring instruments imported for use in trade or commerce must conform to the specifications prescribed in the Weights & Measures (Enforcement) Rules of the states.

(4) Consequent on the decision of the Government of India to introduce from August 1960 the Metric system of weight and measures in the levy and collection of Customs Duties, it was decided to adopt the Metric system of weight and measures from 1st October, 1960, for the purpose of Import and Export Trade Control also, to the extent indicated below :—

- (i) All shipping documents relating to imports, exports and re-export will be in Metric unit. However, to suit the requirements of customers in foreign countries which are not on metric system, the exporters may use British units as well as in their invoice, etc., at the request of their customers. Shippers in foreign countries such as United Kingdom, United States of America or other countries, which are not on metric system, will have the option to use British units in their shipping documents, invoices, etc.
- (ii) Where licensing is on the basis of quantity, new quota certificates/licences will be issued in Metric units; even otherwise quantities in licences will be shown in Metric units, wherever necessary.
- (iii) While applying for licences, importers will be required to mention quantity in Metric units.

Import of Transformer Oil together with power transformers

319. (1) Oil supplied for the first filling along with the transformer may be treated as part of the transformer and its clearance may be allowed against licences issued for transformers. It may, however, be noted that the quantity of transformer oil so allowed shall not in any case exceed the capacity of the tank of the transformer. It is also necessary to ensure that the c.i.f. value of the oil plus the c.i.f. value of the transformer should be covered by the c.i.f. value specified in the licence for transformer.

(2) Where the oil and the relative transformer are shipped from different countries, a separate import licence would be necessary for the oil. This would not, however, apply if the licence for transformer has

been specifically made valid to cover transformer oil required with it, subject to the prescribed conditions, if any, being fulfilled.

Duplicate copies of import licences/release orders

320. (1) Where a licence is lost or misplaced, the application for the issue of a duplicate copy of the licence will be considered and a duplicate copy will be issued if the licensing authority concerned is satisfied in regard to the bona fide of the case.

(2) The application for the issue of duplicate copy of the licence should be submitted to the licensing authority who issued the original licence. Such applications should be accompanied by a treasury challan of Rs. 5/- towards application fee and an affidavit on a stamped paper in the form prescribed in Appendix 8 to this book, duly sworn in before a Magistrate or an Oath Commissioner or a Notary Public.

(3) The duplicate copy of the licence will be marked 'DUPLICATE' and endorsed by the issuing authority in block letters as follows :—

"The licence has been issued in lieu of licence no. dated ———, since cancelled (to be given) under Order no. dated ———, to the extent of full value or partly utilised value of Rs."

(4) When a duplicate copy of a licence is issued, the licensing authority concerned will intimate the fact to the Customs authority at the port of registration of the original licence. Where a duplicate copy of the licence is issued with Exchange Control copy, the Reserve Bank of India of the circle concerned will also be informed accordingly by the licensing authority concerned. The order of cancellation of the original licence will be published in the Gazette of India.

(5) Where a release order issued to an applicant on a canalising agency, in respect of goods the import of which is canalised, is lost or misplaced, the licensing authority may entertain a request for the issue of a duplicate copy of the release order on production of an affidavit on a stamped paper to the effect that the original release order, of which the particulars may be given in their affidavit, has been lost or misplaced without having been produced for such supplies of the goods or utilised for any other purpose, and that in the event of the original release order being traced or found later, it will be returned to the licensing authority without being used for any purpose. The licensing authority issuing a duplicate copy of the release order will simultaneously send an intimation thereof to the canalising agency concerned.

Licence issued in duplicate

321. Import licences are generally issued in duplicate. One of the copies known as the Customs Purposes copy is to be presented by the importer along with the bills of entry, to the Customs authorities for obtaining clearance of the goods imported. The other i.e., the Exchange Control copy, is to be presented by the importer to the Bank for the purpose of opening of a letter credit or making remittance of foreign exchange. Where no remittance of foreign exchange is involved, the Exchange Control copy of the licence is not issued.

Form of Affidavit

322. Applicants for import licence are sometimes required to furnish certificate or declarations along with their applications for import licence. Unless otherwise provided, such certificates or declarations need not be given on a stamped paper and also need not be sworn in before a Magistrate or an Oath Commissioner, etc. Such declarations or certificates can ordinarily be signed by the proprietor, partner, or managing director of the applicant concern or by a person duly authorised to sign such documents on behalf of the applicant.

Checks on delays

323. (1) Every effort is made to avoid delays in the disposal of applications for licences or correspondence. Reminders in regard to the delayed cases are attended to promptly by the licensing authorities where an applicant does not receive a reply to his reminder within 45 days he will be allowed to see the Head of the office to explain his case.

(2) Complaints regarding delay addressed to the Chief Controller of Imports and Exports, New Delhi, should be specifically marked "Complaint against delay" at the top of the communication containing the complaint. In order to facilitate timely action on such complaints, the applicants are advised to send their complaints in duplicate.

(3) The applicant should also bring cases of delay in the Import Trade Control office concerned. The Public Relations Officer of the rank of the Deputy Chief Controller of Imports and Exports has been appointed at the Headquarters of the Office of the Chief Controller of Imports and Exports, New Delhi. In the regional offices also, Public Relations Officers have been appointed.

Addressing of communications to Import Trade Control Organisation

324. It is noticed that the telegrams and letter received by the licensing authorities from the trade by way of reminders do not often contain sufficient details to enable the licensing authorities to locate the previous papers. With a view to avoid delay in the disposal of such communications, the trade should give brief details of the reference received by them from the licensing authority concerned, the particulars of the goods sought to be imported and the I.T.C. classification of such goods. The communication should also indicate its subject matter, the category of the importer, the type of the licence to which it pertains, whether it relates to the grant of the licence or amendment or revalidation thereof or an appeal, and it should also give the number and date of the relevant original application.

Enquiries regarding the position of applications

325. (a) The arrangement under which the importers could enquire the position of the import application by filling the import enquiry slip has been discontinued.

(b) The licensing authorities will make every effort to dispose of the applications as quickly as possible. If an application for an import licence is not disposed of within one month from the date of its receipt in the licensing section the licensing authority will issue an interim reply to the applicant. If an applicant does not receive any interim reply even after this time limit, he can bring the matter to the notice of the Public Relations Officer in the Import Trade Control office concerned or book an interview with the officer concerned through the Enquiry Officer in order to know the reasons for the delay in the disposal of his application.

(c) Where a licensing authority calls for certain documents for information from the applicant or any deficiencies in the application are communicated to the applicant, and the applicant has furnished the required documents or information or made good the deficiencies but does not receive any further communication from the licensing authority within fifteen days thereafter, he can bring the matter to the notice of the Public Relations Officer or book an interview with the Officer concerned to know the reason for the delay in the disposal of the application.

(d) Applications for import of capital goods and heavy electrical plant will take somewhat longer time. But in such cases also, if the applicant finds that there has been a delay in the disposal of his applications, he can bring the matter to the notice of the Public Relations Officer or book an interview with the concerned officer to know the reasons for delay.

Interviews

326. (1) Ordinarily all matters should be settled by correspondence. However, in case where the importers consider it necessary to discuss in person, matters relating to general policy and principles of Import Trade Control or they wish to make a personal submission in the case of appeals and representations against orders passed in individual cases or they desire to present their case in person in respect of any application for licence or to represent again the delay in the disposal of their applications for licences or appeal, they may book an interview with the officer concerned.

(2) The interviews with the officers other than the Chief Controller of Imports and Exports and the heads of the regional licensing offices should be booked in advance at the Enquiry Office which is attached to each licensing office. Appointment to see the Chief Controller of Imports and Exports/heads of the regional licensing offices should, however, be arranged through their private secretaries. The importers should give the purpose of interview and the particulars of their case in the prescribed proforma vide Appendix 30 to this book. The prescribed proforma for interviews will not have to be filled in for seeking interviews with the Public Relations officers.

(3) Except where otherwise authorised, interviews will be granted only by officers of the rank of Deputy Chief Controller of Imports and Exports or above or by other officers authorised to grant interviews. It should be noted that the person desiring to book an

interview should be the accredited representative of the applicant; and he should comply with all the regulations concerning the interviews which are prominently displayed on the trade notice boards in all the licensing offices or otherwise published. Entry in the rooms occupied by the clerical establishments or personal contact with the staff of the Import Trade Control Organisation is strictly prohibited.

Counter system

327. The requests for amendments of minor nature or revalidation of licences which do not require detailed examination, such as requests for issue of letter of authority, correction in the lists of goods, affixing security seal on the licence or on the lists of goods, and other matters of minor nature like signatures of the licensing authority below the condition on the licence or on the lists of goods attached to the licence, an amendment of port of registration, will also be entertained at the "Counter" in the licensing office concerned. For this purpose the "Counter" system has been introduced in the licensing offices. The applications will be received at the "Counter" against a proper receipt and the applicant will be given a fixed date for collecting back the licence on production of the said receipt.

Import of disposal, second-hand or re-conditioned goods

328. (1) In terms of the Imports (Control) Order, 1955, dated the 7th December, 1955, as amended, it is a condition of every licence that the goods for the import of which the licence is granted, shall be new goods, other than disposal goods, unless otherwise stated in the licence. Disposal goods, even if new, will not be treated as new goods.

(2) It has been decided that requests for import of disposal or second hand or reconditioned goods against licences issued to established importers or others for import of goods for stock and sale purposes will not be entertained.

Conditions on licences

329. (1) Import licences issued to various categories of importers shall be subject to the conditions indicated in Appendix 31. The licensee importers, should carefully read these conditions to ensure compliance therewith.

(2) These conditions will be in addition to the condition applicable to a licence under the Imports (Control) Order, 1955, dated the 7th December, 1955, as amended, and such other conditions as may be imposed by a licensing authority.

(3) Non-fulfilment of the conditions of a licence will render the licence liable to cancellation, without prejudice to any other action that may be taken in this behalf against the licensee or importer or any other person.

Refusal of Licence/release order

330. (1) A licensing authority may refuse to grant a licence/release order :—

- (a) if the application does not conform to any provision of the Imports (Control) Order, 1955 dated 7th December, 1955, as amended;
- (b) If such application contains any false or fraudulent or misleading statement;
- (c) If the applicant uses in support of the application any document which is false or fabricated or which has been tampered with;
- (d) if the application for the licence/release order is defective and does not conform to the prescribed rules and procedure;
- (e) if the applicant is not eligible to the grant of licence/release order in accordance with the relevant Import Trade Control policy and procedure in force;
- (f) If the applicant fails to produce any document that is called for by the licensing authority;
- (g) if the applicant has failed to make up a deficiency in his application within the time limit indicated by the licensing authority;
- (h) if the applicant has used any unfair means in obtaining a licence/release order; and
- (i) any other reason to be recorded in writing.

(2) A licensing authority will also refuse to grant a licence under the provisions of clause 6 of the Imports (Control) Order, 1955 dated 7th December 1955, as amended.

331. A form of bond to be executed by importers for fulfilment of export obligations is given in Appendix 33.

CHAPTER XVIII

IMPORTS OF SAMPLES

332. The various provisions relating to import of Samples, with or without an import licence, are spread out in this book and in the Import Policy Books, (Vol I and II). It was thought that it will be an advantage if these provisions are consolidated in a Chapter.

(A) *Import of samples without an import licence*

333. There are four provisions in this behalf :

- (i) Import of bona fide and technical and trade samples under O.G.L. IV.
- (ii) Import of commercial samples under International Convention.
- (iii) Import of samples by exporters against blanket release of foreign exchange.
- (iv) Import of samples by registered manufacture-exporters.

334. (1) Under O.G.L. IV, appearing in appendix 24 to this book, import of bona fide technical and trade samples except "vegetable seeds" and "new drugs" is allowed without an import licence, provided the samples are supplied free and the c.i.f. value, in one consignment does not exceed Rs. 2,000. The Customs authorities may also allow clearance of samples under O.G.L. IV even if the importer may have to pay for freight and insurance charges, provided the overall value of the sample imported, including freight and insurance charges, does not exceed Rs. 2000 c.i.f. If a sample is imported by air and no amount of the extra freight paid on importing by air, the c.i.f. value of the sample exceeds Rs. 2000 the Customs authorities may still allow the import under O.G.L. IV, provided the supply is made free of charge and the foreign supplier also bears the entire expenses relating to insurance and freight [Vide para 281(1) and 281(2)].

(2) Customs will not allow an item sought to be imported as a technical sample if the importer is not engaged in the production of that item or a related item or is not in a position to satisfy the Customs authorities that the scheme for the production of the item, in question, has been approved by the sponsoring authority concerned. Importers who are not connected with commercial sale or distribution are not eligible to import trade samples. However, Export Promotion Councils and the Export Houses, holding certificates of eligibility issued by the Chief Controller of Imports and Exports, New Delhi, may be allowed to import technical and trade samples [vide para 281(3)].

(3) Import of only such trade samples will be allowed as are permissible to actual users or established importers under the import policy in force at the time of shipment [vide para 281(4)].

(4) In order to avoid difficulties at the time of clearance of goods from Customs under O.G.L. IV, importers should carefully familiarise themselves with the provisions of paragraph 281 and Appendix 24 of this book before effecting import.

335. Under International Convention drawn at Geneva on 7th November, 1952, import of commercial samples is allowed without an import licence. Full details in this regard can, however be ascertained from the Collector of Customs concerned. [vide para 280(i)].

336. Import of samples by exporters for export production purposes is also allowed without an import licence, if such samples are imported against the blanket release of foreign exchange provided by the Reserve Bank of India for travel abroad [Vide para 280(o)].

337. Import of samples may be allowed by the customs authorities without import licence in cases where (i) the value does not exceed Rs. 500 (ii) the import is made by post parcel or by air-freight parcel and (iii) the importer is a registered manufacturer-exporter and produces evidence to this effect to the Customs authorities at the time of clearance and to the Reserve Bank of India at the time of making remittance. In such cases, remittance to the foreign supplier will be allowed by Reserve Bank of India, (vide para 316).

(B) *Import of samples with import licence*

338. *Import of prototype/technical samples.*—(1) Applications for import of machinery and instruments and other items of prototypes/technical samples, such as chemicals, raw materials etc. will be considered on the recommendation of the sponsoring authority concerned in terms of the provisions made in paragraphs 98 and 99 of this book.

(2) Import licences for prototypes shall be subject to the condition, *inter alia*, that the imported goods shall be used in the licence holders factory as proto-type only, and shall not be sold, or disposed of, or permitted to be utilised by any other person, or in any other manner, except with the prior written permission of the licensing authority.

339. *Import of trade samples.*—Applications for import of trade samples which are not covered by the provisions of O.G.L. IV or under the facility provided for import under the International Convention drawn at Geneva on 7th November, 1952, will be considered in *bona fide* cases, provided the applicant produces a 'no charge invoice to prove that no payment is required to be made against the cost of the import. In such cases, a customs clearance permit may be issued subject to the condition that goods imported against

it shall be intended for free distribution and shall not be meant for sale.

340. Import of samples of drugs and medicines.—

(1) In order to minimise delay and inconvenience to *bona fide* sole representative of manufactures abroad in importing consignments of free samples of drugs and medicines, customs clearance permits may be issued for import of free samples of drugs and medicines covered by list I of Appendix 19 to the relevant Import Policy Book (Vol. I), subject to the following conditions :—

- (i) no remittance of foreign exchange is involved;
- (ii) the c.i.f. value of the consignment is reasonably small and does not exceed Rs. 8,000;
- (iii) the samples are imported in packing which are distinctly different from regular trade packings; and
- (iv) each packing is clearly marked 'Physicians's sample not to be sold'.

(2) Applications for customs clearance permits under this provision should be made to the regional licensing authorities concerned. Only one Custom Clearance Permit may be issued to a firm in a licensing period and for this purpose only the head office of the firm should apply.

341. Import of technical samples against actual user licences.—Requests for import of chemical and other materials to be used as technical samples/prototypes may be considered by the licensing authorities concerned on the recommendations of the sponsoring authorities concerned, to the extent of Rs. 2,000 c.i.f. against import licences issued to actual users for import of raw materials, components and spares, by a specific endorsement made thereon.

342. (1) Import of samples by registered exporters.—

(1) Applications for import of samples by registered exporters upto a value of Rs. 5,000 (c.i.f.) in each case, may be considered by the regional licensing authorities concerned against the import replenishment licences, on the recommendations of the Export Promotion Councils/other Registering Authorities/Trade Development Authority. Applications for value higher than Rs. 5,000 (c.i.f.) may also be considered by the Chief Controller of Imports and Exports, New Delhi, on the recommendations of the Export Promotion Councils/other Registering Authorities concerned Trade Development Authority in consultation with the technical authorities.

(2) REP licences issued to a manufacturer—exporter will automatically be valid for import of samples within its over-all value, as indicated below :—

- (a) REP licence issued against exports in 'Engineering' product group will be valid for

import of samples upto Rs. 5000/- in value, provided the import of each type of sample is not more than two in number.

- (b) REP licence issued against exports in product groups/products, namely "Chemicals and Allied Products," "Plastics," "Leather Manufacture" "Sports Goods," and "Handicrafts" will be valid for import of samples up to Rs. 1000/- in value, provided the import of each type of sample is not more than two in number.
- (c) REP licence issued against exports of ready-made garments will be valid for import of 'Patterns' upto Rs. 500/- in value (This facility will also be available to merchant-exporter/eligible export house).
- (d) The facilities in sub-paras (a) and (b) above will not be available for the import of the following items :—
 - (i) T.V. set.
 - (ii) Air conditioner.
 - (iii) Refrigerator.
 - (iv) Cooking range.
 - (v) Washing machine.
 - (vi) Motor cycle, Scooter and Moped.
 - (vii) Radiogram.
 - (viii) Tape recorder.
 - (ix) Amplifier.
 - (x) Camera/Movie Camera.
 - (xi) Movie Projector.
 - (xii) Gold set.
 - (xiii) Watch.
 - (xiv) Electric Shaver.
 - (xv) Hair Dryer.
 - (xvi) Flash gun.
 - (xvii) Exposure meter.

343. Applications for import of trade and technical samples/advertising material in excess of the value limits permitted under O.G.L. IV may be considered by the regional licensing authorities concerned on merits, in terms of the import policy in force, provided the goods to be imported are supplied free of charge and are meant for *bona fide* use as technical or trade sample or as advertising material. Such requests should be accompanied by 'No Charge' invoices to prove that no payment is required to be made.

APPENDICES

APPENDIX—I

[Vide para. 2 of Chapter 1]

Imports and Exports (Control) Act, 1947 as amended upto 31st March, 1976).

An Act to prohibit or control imports and exports.

Whereas it is expedient to prohibit, restrict or otherwise control imports and exports.

It is hereby enacted as follows :—

1. *Short title, extent, commencement and duration*—(1) This Act may be called the Imports and Exports (Control) Act, 1947.

(2) It extends to the whole of India.

(3) It shall come into force on the 25th day of March, 1947.

2. *Definitions*.—In this Act, unless the context otherwise requires,—

- (a) “adjudicating authority” means the authority specified in, or under, section 4K;
- (b) “Appellate authority” means the authority referred to in section 4M;
- (c) “Chief Controller” means the Chief Controller of Imports and Exports;
- (d) “control order” means a control order made, or deemed to have been made, under this Act;
- (e) “customs station” has the meaning assigned to it in the Customs Act, 1962;
- (f) “Deputy Chief Controller” means a Deputy Chief Controller of Imports and Exports;
- (g) “import” and “export” mean, respectively, bringing into, and taking out of, India by sea, land or air;
- (h) “letter of authority” means a letter authorising the licensee to permit another person, named in the said letter, to import goods against the licence granted to the licensee;
- (i) “licence” means a licence granted, and includes a customs clearance permit issued under any control order;
- (j) “prescribed” means prescribed by rules made under this Act;
- (k) “recognised agency” means agency to which the functions of distribution of imported goods have been assigned by the Chief Controller.

3. *Powers to prohibit or restrict imports and exports*.—(1) The Central Government may, by order published in the Official Gazette, make provisions for prohibiting, restricting or otherwise controlling in all cases or in specified classes of cases, and subject to such exceptions if any as may be made by or under the order :—

- (a) the import, export carriage coastwise or shipment as ships stores of goods of any specified description;
- (b) the bringing into any port or place in India of goods of any specified description intended to be taken out of India without being removed from the ship or conveyance in which they are being carried.

(2) All goods to which any order under sub-section (1) applies shall be deemed to be goods of which the import or export has been prohibited under section 11 of the Customs Act, 1962, and no notice in respect thereof is given under have effect accordingly.

(3) Notwithstanding anything contained in the aforesaid Act, the Central Government may, by order published in the Official Gazette, prohibit, restrict or impose conditions on the clearance, whether for home consumption or for shipment abroad of any goods or class of goods imported into India.

(4) *Continuance of existing orders*.—All orders made under rule 84 of the Defence of India Rules or that rule as continued in force by the Emergency Provisions (Continuance) Ordinance, 1946 (Continuance of Existing Orders, XX of 1946), and in force immediately before the commencement of this Act shall so far as they are not inconsistent with the provisions of this Act, continue in force and be deemed to have been made under this Act.

4A. *Fees for applications for, and issue or renewal of, licences*.—The Central Government may by order levy, subject to such exceptions, of any, in respect of any persons or class of persons as may be specified in the order, any fee in respect of any application or in respect of any licence granted or renewed under any order made or deemed to have been made under this Act.

4B. *Power to enter and inspect*.—Any person authorised in writing in this behalf by the Chief Controller or any officer serving under him, not being an officer below the rank of a Deputy Chief Controller (hereafter in this Act called the ‘authorised person’), may enter, at any reasonable time any premises in which—

- (i) any imported goods or materials which are liable to confiscation under this Act, or
- (ii) any books of account or other documents or things which, in his opinion, will be useful for, or relevant to, any proceeding under this Act.

are suspected to have been kept or concealed, and inspect such goods, materials, books of account, other documents or things and may take such notes or extracts from such books of account or other documents as he may think fit.

4C. *Power to search*.—If the authorised person has any reason to believe that—

- (i) any imported goods or materials liable to confiscation under this Act, or
- (ii) any books of account or other documents or things which, in his opinion will be useful for, or relevant to, any proceeding under this Act.

are secreted in any place, he may enter into and search such place or premises for such imported goods, materials, documents or things.

4D. *Power to seize imported goods or materials*.—(1) If the authorised person has any reason to believe that any imported goods or materials are liable to confiscation under this Act, he may seize such goods or materials together with the package, covering or receptacle if any, in which such goods or materials are found and where such goods or materials are found to have been mixed with any other goods or materials, he may seize such goods or materials together with the goods or materials with which they are so mixed :

Provided that where it is not practicable to seize any such goods or materials, the authorised person may serve on the owner of the goods or materials an order that he shall not remove, part with or otherwise deal with, the goods or materials except with the previous permission of such authorised person.

(2) Where any goods or materials are seized under sub-section (1) and no notice in respect thereof is given under

section 4L within six months of the seizure of the goods or materials, the goods or materials shall be returned to the person from whose possession they were seized :

Provided that the aforesaid period of six months may on sufficient cause being shown be extended by the Chief Controller by a further period not exceeding six months.

(3) The authorised person may seize any documents or things which, in his opinion, will be useful for, or relevant to, any proceeding under this Act.

(4) The person from whose custody any documents are seized under sub-section (3) shall be entitled to make copies thereof or take extracts therefrom in the presence of the authorised person.

(5) If any person legally entitled to the documents or other things seized under sub-section (3) objects, for any reason, to the retention by the authorised person of the documents or things, he may make an application to the Central Government stating therein the reasons for such objection and requesting for the return of the documents or things.

(6) On receipt of an application under sub-section (5) the Central Government may, after giving the applicant an opportunity of being heard, pass such order as it may think fit.

(7) Where any document—

- (a) is produced or furnished by any person or has been seized from the custody or control of any person under this Act or any other law for the time being in force, or
- (b) has been received from any place outside India (duly authenticated by such authority or person and in such manner as may be prescribed) in the course of the investigation of any offence alleged to have been committed by any person against this Act.

and such document is tendered in evidence against the person by whom it is produced or from whom it was seized or against such person and any other person who is jointly tried, or proceeded against, with him, the court, or as the case may be the adjudicating authority shall notwithstanding anything to the contrary contained in any other law for the time being in force,—

- (i) presume, unless the contrary is proved, that the signature and every other part of such document which purports to be in the handwriting of any particular person or which the court or the adjudicating authority may reasonably assume to have been signed by, or to be in the handwriting of any particular person, is under that person's handwriting and in the case of a document executed or attested, it was executed or attested by the person by whom it purports to have been so executed or attested;
- (ii) admit the document in evidence notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

4E. *Power to stop and seize conveyances.*—Any authorised person may, if he has any reason to suspect that any conveyance or animal is being or is about to be, used for the transportation of any imported goods or materials which are liable to confiscation under this Act and that by such transportation any provision of this Act has been, is being or is about to be contravened, at any time stop such conveyance or animal or, in the case of an aircraft, compel it to land, and

- (a) rummage and search the conveyance or any part thereof, conveyance or on the animal.
- (b) examine and search any goods or materials in the conveyance or on the animal,
- (c) if it becomes necessary to stop any conveyance or animal he may use all lawful means for stopping it and where such means fail, the conveyance or animal may be fired upon.

and where he is satisfied that it is necessary so to do to prevent the contravention of any provision of this Act or of any control order or condition of any licence or letter of authority, he may seize such conveyance or animal.

Explanation.—Any reference in this section to a conveyance shall, unless the context otherwise require, be construed as including a reference to an aircraft, vehicle or vessel.

4F. *Search and seizure to be made in accordance with the Code of Criminal Procedure, 1973.*—The provisions of the Code of Criminal Procedure, 1973 relating to searches and seizures, shall, so far as may be, apply to every search or seizure made under this Act.

4G. *Confiscation.*—Any imported goods or materials in respect of which—

- (a) any condition of the licence or letter of authority, under which they were imported, relating to the utilisation or distribution of such goods or materials, or
- (b) any condition relating to the utilisation or distribution of such goods or materials subject to which they were received from, or through a recognised agency, or
- (c) any direction given under a control order with regard to the sale of such goods or materials.

has been, is being or is attempted to be, contravened, shall, together with any package, covering or receptacle in which such goods are found be liable to confiscation, and, where such goods or materials are so mixed with any other goods or materials that they cannot be readily separated, such other goods or materials shall also be liable to confiscation :

Provided that where it is established to the satisfaction of the adjudicating authority that any goods or materials, which are liable to confiscation under this Act, had been imported for personal use, and not for any trade or industry and that they belong to a person other than the person who has, by any act or omission, rendered them liable to confiscation, and such act or omission was without the knowledge or connivance of the person to whom they belong such goods or materials shall not be ordered to be confiscated; but such other action as is authorised by this Act may be taken against the person who has, by such act or omission, rendered such goods or materials liable to confiscation.

4H. *Confiscation of conveyance.*—Any conveyance or animal which has been, is being or is attempted to be used for the transport of any imported goods or materials which are liable to confiscation under this Act, shall be liable to confiscation unless the owner of the conveyance or animal proves that it was, is being or is about to be so used without the knowledge or connivance of the owner himself, his agent, if any and the person in charge of the conveyance or animal and that each of them had taken all reasonable precautions against such use :

Provided that in the case of a conveyance or animal used for the transport of goods or passengers for hire the owner of the conveyance or animal shall be given an option to pay, in lieu of confiscation of the conveyance or animal a fine not exceeding the value of the imported goods or materials which have been or attempted to be, transported by such conveyance.

4-I. (1) *Liability to penalty.*—Any person who,—

- (a) in relation to any goods or materials which have been imported under any licence or letter of authority, uses or utilises such goods or materials otherwise than in accordance with the conditions of such licence or letter of authority; or
- (b) being a person to whom any imported goods or materials have been delivered by recognised agency, uses or utilises such goods or materials or causes them to be used or utilised for any purpose other than the purpose for which they were delivered to him; or
- (c) having made a declaration for the purpose of obtaining—
 - (i) a licence or letter of authority to import any goods or materials, or
 - (ii) any amendment of such licence or letter of authority, or

(iii) allotment of any imported goods or materials, is found to have made in such declaration, any statement which is incorrect or false in material particulars; or

(d) acquires, sells or otherwise parts with, or agrees to acquire, sell or otherwise part with, any imported goods or materials in contravention of the conditions of any licence or letter of authority in pursuance of which such goods or materials had been imported; or

(e) acquires, sells or otherwise parts with, or agrees to acquire, sell or otherwise part with, any imported goods or materials in contravention of the terms of any allotment made by any recognised agency; or

(f) contravenes any direction given under a control order with regard to the sale of goods or materials which have been imported under any licence or letter of authority or which have been received from, or through, a recognised agency.

shall be liable to a penalty not exceeding five times the value of the goods or materials, or one thousand rupees, whichever is more, whether or not such goods or materials have been confiscated or are available for confiscation.

Explanation.—For the purposes of this section, "value" has the meaning assigned to it in sub-section (1) of section 14 of the Customs Act, 1962.

(2) If any person abets the commission of any act or omission, which act or omission would render any person liable to a penalty under sub-section (1), or attempts to commit any act aforesaid, the person so abetting or attempting shall be liable to a penalty not exceeding five times the value of the goods or materials in respect of which such abetment or attempt has been made, or one thousand rupees, whichever is more, whether or not such goods have been confiscated or are available for confiscation.

(3) A penalty imposed under sub-section (1) or sub-section (2) may, if it is not paid, be recovered as an arrear of land revenue :

Provided that the adjudicating authority may, by order, attach any money belonging to, or owed to the person on whom any penalty has been imposed under sub-section (1) or sub-section (2), and such attachment shall be made in the same manner in which an attachment is made by civil court.

4J. Confiscation or penalty not to interfere with other punishments.—No confiscation made, or penalty imposed under this Act shall prevent the infliction of any other punishment to which the person affected thereby is liable under the provisions of this Act or under any other law for the time being in force.

4K. Adjudication.—Any confiscation may be adjudged or penalty may be imposed under this Act,—

(a) by the Chief Controller, or, where he so directs, by a general or special order, by the Additional Chief Controller;

(b) subject to such limits as may be specified in this behalf, by such other officer not below the rank of a Deputy Chief Controller as the Central Government may, by notification in the Official Gazette, authorise in this behalf.

4L. Giving of opportunity to the owner of goods, etc.—No order of adjudication of confiscation or imposing a penalty shall be made unless the owner of the goods, materials, conveyance or animal, or other person concerned, is given a notice in writing—

(i) informing him of the grounds on which it is proposed to confiscate such goods, materials, conveyance or animal or to impose a penalty;

(ii) giving him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the confiscation or imposition of penalty mentioned therein, and, if he so desires, of being heard in the matter.

4M. Appeal.—(1) Any person aggrieved by any decision or order made under this Act may prefer an appeal,—

(a) where the decision or order has been made by the Chief Controller or Additional Chief Controller, to the Central Government;

(b) where the decision or order has been made by any officer below the rank of the Additional Chief Controller, to the Chief Controller or where he so directs, to the Additional Chief Controller.

within a period of forty-five days from the date on which the order is served on such person :

Provided that the Appellate authority may, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within the aforesaid period of forty-five days, allow such appeal to be preferred within a further period of forty-five days :

Provided further that in the case of an appeal against an order imposing a penalty, no such appeal shall be entertained unless the amount of the penalty has been deposited by the appellant :

Provided also that, where the Appellate authority is of opinion that the deposit to be made will cause undue hardship to the appellant, it may, at its discretion, dispense with such deposit either unconditionally or subject to such conditions as it may impose.

(2) The Appellate authority may, after giving to the appellant a reasonable opportunity of being heard, if he so desires, and after making such further inquiries, if any, as it may consider necessary, pass such orders as it thinks fit, confirming, modifying or reversing the decision or order appealed against, or may send back the case with such directions as it may think fit, for a fresh adjudication or decision, as the case may be, after taking additional evidence, if necessary :

Provided that an order enhancing or imposing a penalty or confiscating goods or materials of a greater value shall not be made under this section unless the appellant has had an opportunity of making a representation, and, if he so desires, of being heard in his defence.

4N. Powers of revision of the Chief Controller.—The Chief Controller may on his own motion or otherwise, call for and examine the records of any proceeding in which an order or adjudication of confiscation or imposing any penalty has been made by any officer subordinate to him and against which no appeal has been preferred, for the purpose of satisfying himself as to the correctness, legality or propriety of such order or decision and pass such orders thereon as he may think fit :

Provided that no decision or order shall be varied under this section so as to prejudicially affect any person unless such person—

(a) has, within a period of two years from the date of such decision or order, received a notice to show cause why such decision or order shall not be varied, and

(b) has been given a reasonable opportunity of making representation and, if he so desires, of being heard, in his defence.

4O. Power of adjudicating and other authorities.—(1) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall have all the powers of a civil court under the Code of Civil Procedure 1908, while trying a suit, in respect of the following matters, namely :—

(a) summoning and enforcing the attendance of witnesses;

(b) requiring the discovery and production of any document;

(c) requisitioning any public record or copy thereof from any court or office;

(d) receiving evidence on affidavits; and

(e) issuing commissions for the examination of witnesses or documents.

(2) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall be deemed to be a civil court for the purposes of

sections 345 and 346 of the Code of Criminal Procedure 1973.

(3) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall have the power to make such orders of an interim nature as it may think fit and may also, for sufficient cause, order the stay of operation of any decision or order.

4P. *Continuance of proceedings in the event of death or insolvency.*—(1) Where a penalty has been imposed by the adjudicating authority and—

- (a) no appeal against the order imposing such penalty has been preferred to the Appellate authority and the person entitled to file such appeal dies or is adjudicated an insolvent before the expiry of the period within which the appeal can be preferred, or
- (b) an appeal has been preferred to the Appellate authority against the order imposing such penalty but the appellant dies or is adjudicated an insolvent during the pendency of the appeal,

then, it shall be lawful for the legal representatives of such person or the Official Assignee or the Official Receiver, as the case may be, to prefer an appeal to the Appellate authority or, as the case may be, to continue the appeal before the Appellate authority, in place of such person and the provisions of section 4M shall, so far as may be, apply or continue to apply to such appeal.

(2) The powers of the Official Assignee or the Official Receiver under sub-section (1) shall be exercised by him subject to the provisions of the Presidency Towns Insolvency Act, 1909, or the Provincial Insolvency Act, 1920 as the case may be.

5. *Penalty*—If any person contravene or attempts to contravene, or abets a contravention of, any order made or deemed to have been made under this Act or any condition of a licence granted under any such order, or any authority under which imported goods were received from or through a recognised agency, he shall without prejudice to any confiscation or penalty to which he may be liable under the provisions of the Customs Act, 1962 (52 of 1962) be punishable,—

- (a) where the value of the goods, in relation to which such contravention or attempted contravention or abetment of contravention has been made, exceeds ten lakh rupees, with imprisonment for a term which may extend to seven years and also with fine, and
- (b) in any other case, with the imprisonment for a term which may extend to three years and also with fine.

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgement of the Court such imprisonment shall not be for less than six months.

5A. *Penalty for contravention of order made by adjudicating authority and Appellate authority.*—If any person fails to

pay the penalty imposed by the adjudicating or the Appellate authority or fails to comply with any direction or order made, or deemed to have been made, under this Act, he shall, upon conviction by a court, be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

5B. *Correction of clerical or arithmetical mistakes.*—Clerical or arithmetical mistakes in any decision or order, or errors arising therein from any accidental slip or omission may, at any time, be corrected by the authority by which the decision or order was made either on its own motion or on the application of the aggrieved person :

Provided that where any correction proposed to be made under this section will have the effect of prejudicially affecting any person, no such correction shall be made except after giving to that person a reasonable opportunity of making a representation in the matter and no such correction shall be made after the expiry of a period of two years from the date on which such decision or order was made.

6. *Cognizance of offences.*—No Court shall take cognizance of any offence punishable under section 5 except upon complaint in writing made by an officer authorised in this behalf by the Central Government by general or special order, and no Court inferior to that of a Presidency Magistrate or a Magistrate of the First Class shall try any such offence.

7. No order made or deemed to have been made under this Act shall be called in question in any Court, and no suit, prosecution or other legal proceeding shall lie against any person for anything on good faith done or intended to be done under this Act or any order made or deemed to have been made thereunder.

8. *Power to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

- (a) the person by whom and the manner in which, any document received from a place outside India shall be authenticated,
- (b) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

APPENDIX 2

[Vide para 2 of Chapter 1]

Government of India

MINISTRY OF COMMERCE AND INDUSTRY

Imports (Control) Order, 1955 (as amended upto 12th April, 1976)

New Delhi, the 7th December, 1955

No. 17/55.—In exercise of the powers conferred by sections 3 and 4A of the Imports and Exports (Control) Act, 1947 (18 of 1947) as in force in India and as applied to the State of Pondicherry, the Central Government hereby makes the following Order, namely :—

ORDER

1. *Short title and Commencement.*—(a) This order may be called the Imports (Control) Order, 1955.

(2) It shall come into force at once.

2. *Definition.*—In this Order, unless the context otherwise requires.—

- (a) 'the Act' means the Imports and Exports (Control) Act, 1947 (18 of 1947);
- (aa) 'application for licence' includes any application made under the Import Trade Control regulations;
- (aaa) 'Chief Controller of Imports and Exports' includes Export Commissioner in the office of the Chief Controller of Imports and Exports, a Joint Chief Controller of Imports and Exports, a Deputy Chief Controller of Imports and Exports and a Deputy Iron and Steel Controller;
- (aaaa) 'licence' includes a customs clearance permit issued under this Order;
- (b) 'Licencee' means a person to whom a licence or a Customs clearance permit is granted under this Order;
- (c) 'Licensing authority' means an authority competent to grant a licence or Customs clearance permit under this Order;
- (d) 'Schedule' means a schedule to this Order;
- (e) 'Value' has the same meaning as in sub-section (1) of section 14 of the Customs Act 1962 (52 of 1962).

3. *Restriction of Import of certain goods.*—(1) Save as otherwise provided in this Order, no person shall import any goods of the description specified in Schedule I, except under and in accordance, with a licence or a customs permit granted by the Central Government or by any officer specified in Schedule II.

(2) If in any case, it is found that the goods imported under licence do not conform to the description given in the licence or were shipped prior to the date of issue of the licence under which they are claimed to have been imported, then, without prejudice to any action that may be taken against the licensee under the Customs Act, 1962 (52 of 1962), in respect of the said importation, the licence may be treated as having been utilised for importing the said goods.

(3) If, in any case, it is found that the goods imported under a licence do not conform in every respect,—

- (i) to the description or value of the goods as contained in the licence; or
- (ii) to the other conditions relating to such goods, as contained in, or applicable to the licence,

the import of such goods shall be deemed to be prohibited.

3-A. In cases where the importer is unable to produce the licence which has already been granted to him at the time of arrival of goods, the Customs Collector may at his discretion allow the importer to secure the clearance of goods, on execution of a bond or letter of guarantee to the effect that he holds a valid licence in respect of the imported goods and shall produce the same within a period to be specified by the Customs Collector, failing which he shall pay to the Customs Collector such amount as may be stipulated in the bond or letter of guarantee without prejudice to any action that may be taken against him under the Customs Act, 1962 (52 of 1962) for unauthorised importation of the goods concerned.

4. *Fees on Application of Licences.*—(1) Every application for a licence shall be made to the appropriate licensing authority.

(2) A fee as indicated in Schedule III shall be paid in respect of every application in the manner provided in the said Schedule :

Provided that no fee shall be payable in respect of any application when made by—

- (a) the Central Government, a State Government or any department or office of the Central Government or State Government;
- (b) any local authority for the import of goods required for its own consumption;
- (c) any educational, charitable or missionary institution for the import of goods required for its own consumption;
- (d) an application for review of an order i.e. first appeal made on an application for a licence to the licensing authority who originally dealt with the case.

*The fee once received will not be refunded under any circumstances except—

- (i) where the fee has been deposited in excess of the prescribed scale;
- (ii) where the fee has been deposited, but no application has been made;
- (iii) where the fee has been deposited, and the application has been made, but the item to which the application relates is placed on an Open General Licence on or after the date of application;
- (iv) where the fee has been deposited in error, but the applicant is exempt from payment of licence fee;
- (v) where the fee has been deposited and the application made, but the policy governing the issue of import licences has been changed subsequent to the date of application, thereby rendering the application ineligible for the grant of licence.

*Note.—Fees paid in respect of Appeals made to the Chief Controller of Imports and Exports shall not be refunded under any circumstances.

5. *Conditions of Licences.*—(1) The licensing authority issuing a licence under this Order may issue the same subject to one or more of the conditions stated below :—

- (i) that the goods covered by the licence shall not be disposed of except in the manner prescribed by the licensing authority, or otherwise dealt with, without the written permission of the licensing authority or any person duly authorised by it;
- (ii) that the goods covered by the licence on importation shall not be sold or distributed at a price exceeding

that which may be specified in any direction attached to the licence;

- (iii) that the applicant for a licence shall execute a bond for complying with the terms subjects to which a licence may be granted.

(2) A licence granted under this Order may contain such other conditions, not inconsistent with the Act or this Order, as the licensing authority may deem fit.

(3) It shall be deemed to be a condition of every such licence that :—

- (i) no person shall transfer and no person acquire by transfer any licence issued by the licensing authority except under and in accordance with the written permission of the authority which granted the licence or of any other person empowered in this behalf by such authority.
- (ii) that the goods for the import of which a licence is granted shall be the property of the licensee at the time of import and there after upto the time of clearance through Customs.

Provided that the conditions under items (i) and (ii) of this sub-clause shall not apply in relation to licences issued to the State Trading Corporation of India, the Minerals and Metals Trading Corporation of India and other similar institutions or agencies owned or controlled by the Central Government and which are entrusted with canalisation of Imports.

Provided further that the conditions under items (i) and (ii) of this sub-clause shall also not apply in relation to licences issued to eligible export houses for import of goods meant for disposal to actual users under the import policy for registered exporters.

- (iii) the goods for the import of which a licence is granted shall be new goods, other than disposal goods, unless otherwise stated in the licence.

(4) The licensee shall comply with all conditions imposed or deemed to be imposed under this clause.

6. *Refusal of licence.*—(1) The Central Government or the Chief Controller of Imports and Exports may refuse to grant a licence or direct any other licensing authority not to grant a licence :—

- (a) if no foreign exchange is available for the purpose;
- (b) if the grant of a licence to an applicant is prejudicial to the interests of the State;
- (c) if it has been decided to canalise imports and distribution thereof through special or specialised agencies or channels;
- (d) if the applicant is a partner in a partnership firm, or a director of a private Limited Company, which is for the time being subject to any action under clause 8;
- (e) if the applicant is a partnership firm or a Limited company, any partner or director whereof, as the case may be, is for the time being subject to any action under clause 8, 8A or 8B; and
- (f) if any amount demanded from the applicant under the Customs Act, 1962 or any penalty imposed on him under the said Act has remained unpaid for a period of three months.

(2) The refusal of a licence under sub-clause (1) shall be without prejudice to any other action that may be taken in respect of an application by a licensing authority under the relevant import policy and procedure in force.

7. *Amendment of Licence.*—The licensing authority may, of its own motion or on application by the licensee, amend any licence granted under this Order in such manner as may be necessary to make such licence conform to the provision of the Act or this Order or any other law for the time being in force or to rectify any errors or omissions in the licence; Provided that the licensing authority may, on request by the licensee, amend the licence in any manner consonant with the Import Trade Control Regulations.

8. *Power to debar from receiving licences or allotments of imported goods.*—The Central Government or the Chief Controller of Imports and Exports may debar a licensee or importer or any other person from receiving licences or allotment of imported goods through the State Trading Corporation of India, the Minerals and Metals Trading Corporation of India, or any other similar agency, and direct, without prejudice to any other action that may be taken against him in this behalf, that no licence or allotment of imported goods shall be granted to him for a specified period under this Order :—

- (a) if his application for licence is at any time found to be not in conformity with any provision of this Order; or
- (b) if such application is found to contain any false, fraudulent or misleading statement; or
- (c) if he is found to have used in support of his application any document which is false or fabricated or which has been tampered with; or
- (d) if he has, on any occasion, tampered with an import licence or has imported goods without a licence or has been a party to any corrupt or fraudulent practice in his commercial dealings or in obtaining a licence, or is found to have solicited any licence by offering an inducement to the holder of the licence or otherwise; or
- (e) if his agent or employee has been a party to any corrupt or fraudulent practice in obtaining any licence on his behalf; or
- (f) if he fails to comply with or contravenes or attempts to contravene or abets the contravention of any conditions embodied in, or accompanying, a licence or an application for a licence; or
- (g) if he commits a breach of any law (including any rule, order or regulation) relating to customs or the import and export of goods or foreign exchange; or
- (h) if he fails to produce any document or information that is called for by the Chief Controller of Imports and Exports or any other licensing authority.

8A. *Power to suspend grant of licences or allotments of imported goods.*—The Central Government or the Chief Controller of Imports & Exports may suspend the grant of licences or allotments of imported goods through the State Trading Corporation of India, the Minerals and Metals Trading Corporation of India, or any other similar agency, to a licensee or importer or any other person pending investigation into one or more of the allegations mentioned in clause 8, without prejudice to any other action that may be taken against him in this behalf :

Provided that grant of a licence or allotment of imported goods shall not ordinarily be suspended under this clause for a period exceeding twelve months :

Provided further that on the withdrawal of such suspension, a licence or allotment of imported goods may be granted to him for a period of suspension subject to such conditions, restrictions or limitations as may be decided by the authority aforesaid, keeping in view the foreign exchange position, indigenous production and other relevant factors.

8B. *Power to keep in abeyance applications for licences or allotments of imported goods.*—Where any investigation into any of the allegations mentioned in clause 8 is pending against a licensee or importer or any other person, and the Central Government or the Chief Controller of Imports and Exports is satisfied that without ascertaining further details in regard to such allegation, the grant of licence or allotment of imported goods will not be in the public interest, then notwithstanding anything contained in this Order, the Central Government or the Chief Controller of Imports and Exports may keep in abeyance any application for grant of licence from such person, or direct the State Trading Corporation of India, the Minerals and Metals Trading Corporation of India, or any other similar agency to keep in abeyance allotments of imported goods to such person, without assigning any reason, and without prejudice to any other action that may be taken in this behalf :

Provided that the period for which the grant of such licence or allotment is kept in abeyance under this clause shall not ordinarily exceed six months.

8C. *Publicity of action taken under clause 8 or 8A.*

(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the name of any person or class of persons and other relevant particulars, against whom action under clause 8 or 8A is taken it may publish or cause to be published, the name of such person or class of such persons and such particulars in such manner it thinks fit.

(2) No publication under sub-clause (1) shall be made in relation to any such action until the time of presenting an appeal, if any, to the appellate authority has expired without an appeal having been presented or, the appeal, if presented, has been disposed of.

Explanation.—In the case of a firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers, or managers of the company, or the members of the association as the case may be may also be published if, in the opinion of the Central Government, the circumstances of the case justify it.

9. *Cancellation of licences.*—The Central Government or the Chief Controller of Imports and Exports or any other officer authorised in this behalf may cancel any licence granted under this Order or otherwise render it ineffective;

- (a) if the licence has been granted through inadvertence or mistake or has been obtained by fraud or misrepresentation;
- (b) if the licence has been granted contrary to rules or the provisions of this Order;
- (c) if the licensee has committed a breach of any of the conditions of a licence;
- (cc) If the Central Government or such officer is satisfied that the licence will not serve the purpose for which it has been granted;
- (d) if the licensee has committed a breach of any law relating to customs or the rules and regulations relating to the imports or exports of goods or of any law relating to the regulations of foreign exchange.

10. *Opportunity of being heard to be given.*—(1) No action shall be taken under clause 7 or clause 8 or clause 8A or clause 9 against a licensee or an importer or any other person unless he has been given a reasonable opportunity of being heard.

(2) Where any person is aggrieved by any action taken under clause 8 or 8A, he may prefer an appeal against such action to such authority as the Central Government may, by notification in the official Gazette constitute for the purpose of hearing appeals, within thirty days from the date of the communication of the action taken.

10A. *Declaration as to value, sort, quality etc. of imported goods.*—On the importation into any customs ports of any goods whether liable to duty or not, the owner of such goods shall in the Bill of Entry or any other documents prescribed by rules, state the value, sort, quality and description of such goods to the best of his knowledge and belief and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry or documents.

10B. *Utilisation of imported goods.*—(1) No person shall use any imported goods received by him during allotment or distribution made by the State Trading Corporation of India or any other recognised agency, in a manner and for the purpose, otherwise than as declared by him in his application for such allotment or distribution or in any document submitted by him in support of such application.

(2) Subject to the provisions of clause 10C, no person shall use or dispose of any goods imported by him against a licence on the strength of a letter of authority issued in his favour under the Import Trade Control Regulations except in accordance with the terms and conditions of such Letter of authority.

10C. *Power to make directions for the sale of imported goods in certain cases.*

(1) Where, on the importation of any goods or at any time thereafter, the Chief Controller of Imports and Exports is satisfied, after giving a reasonable opportunity to the licensee of being heard in the matter, that such goods cannot be utilised for the purpose for which they were imported he may by order, direct the licensee or any other person, having possession or control of such goods to sell such goods to such person within such time, at such price and in such manner as may be specified in the direction.

(2) The price that may be specified under sub-clause (1) shall be the aggregate of the landed cost of the goods, clearing and transportation charges and such other incidental charges incurred in relation thereto as are considered reasonable in the circumstances of the case by the Chief Controller of Imports and Exports.

(2-A) Where goods are imported through the State Trading Corporation of India, the Minerals and Metals Trading Corporation of India or other similar institutions or agencies owned or controlled by the Government or any other recognised agency, and such goods are allotted to any person, an opportunity of being heard in the matter shall be given to such person also.

(3) The licensee or the person to whom any direction has been made under sub-clause (1) shall be bound to comply with such direction.

10D. *Prohibition regarding making, signing, etc., of any declaration, statement or document :—*

- (1) No person shall make, sign or use or cause to be made, signed or used any declaration statement or document in obtaining a licence or in importing any goods knowing or having reason to believe that such declaration, statement or document is false in any material particular.
- (2) No person shall employ any corrupt or fraudulent practice in obtaining any licence or in importing any goods.

10E. *Power of Deputy Iron and Steel Controller.*—The powers exercisable under clauses 8, 8A or 10C shall also be exercisable by the Deputy Iron and Steel Controller, against a licensee or importer or any other person in relation to goods licensable by the Deputy Iron and Steel Controller, that is to say, Iron and Steel and Ferro-alloys.

11. *Savings.*—(1) Nothing in this Order shall apply to the import of any goods :—

- (a) By the Central Government or agencies/undertakings owned and controlled by the Central Government for Defence purposes.
- (b) by the Central Government or any State Government, Statutory Corporation, public body or Government Undertaking run as a Joint Stock Company through the agency of the Purchase Organisations of the Ministry of Supply, i.e., India Supply Mission, London and India Supply Mission, Washington;
- (c) by the Central Government, any State Government or any statutory corporation or public body or Government undertaking run as a Joint Stock Company, orders in respect of which are placed through the Directorate General Supply and Disposals, New Delhi;
- (d) by transshipment, or imported and bonded on arrival for re-export as ships stores or otherwise to any or imported and bonded on arrival for re-export as country outside India, except Nepal, Tibet and Bhutan aforesaid but subsequently released for use of Diplomatic personnel, Consular Officers in India and the officials of the United Nations Organisation and its specialised agencies who are exempt from payment of duty under Ministry of Finance (D.R.) Notification No. 3 dated the 8th January, 1957 and United Nations (Privileges and Immunities) Act, 1947, respectively;

- (e) which are in transit through India by post or otherwise, or are re-directed by post or otherwise to a destination outside India, except Nepal, Tibet and Bhutan provided that such goods while in India are always in the custody of the postal/customs authorities;
- (f) for transmission across, India by air to Afghanistan or by land, to any other country outside India, except Nepal, Tibet and Bhutan under claim for exemption from duty or for refund of duty either in whole or in part, provided that such goods are imported by or on behalf of the Government of a country bordering on India or that the importer undertake to produce within a specified period evidence that such goods have crossed the borders of India or in default to pay such penalty as the Collector of Customs may deem fit to impose on such goods and provided further that nothing therein contained entitles any goods to exemption from the Export Trade Control Regulations;
- (g) by the person as passengers baggage to the extent admissible under the Baggage Rules for the time being in force except quinine falling under Heading number 29.01/45 of Schedule I exceeding five hundred tablets or 1 lb. powder or one hundred ampules;

Provided that in the case of imports by a tourist, articles of high value whose re-export is obligatory under rule 5 of the Tourist Baggage Rules, 1958, shall be re-exported on his leaving India, failing which they shall be deemed to be goods of which the import has been prohibited under the Customs Act, 1962 (52 of 1962);

Provided further that where any goods are exempted under this sub-paragraph, the exemption shall be subject to the condition that such goods shall not be sold, displayed, advertised or offered for sale or displayed in a shop, until (a) in the case of fire arms, and TV sets, they have been used for a period not less than ten years and five years respectively from the date of clearance by such persons or passenger or member of the crew or (b) in the case of other goods when market-price has depreciated to less than 50% of their market-price when new;

- (gg) by any person through the post, for his personal use, or by any institution or hospital, for its own use except :—
- Post parcels of vegetable seeds falling under Heading number 12.01/10 of Schedule I, exceeding—one lb. in weight;
 - Post parcels of artificial silk piecegoods falling under Heading numbers 51.04 and 56.07 of Schedule I;
 - Bees falling under Heading number 01.01/06 of Schedule I.
 - Tea falling under Heading number 09.01/10 of schedule I.
 - Books, magazines, journals and literature which are not allowed to be imported under the import policy for the time being in force.

Provided that the c.i.f. value of goods imported as aforesaid at any one time from Asian and non-Asian countries shall not exceed eighty rupees and one hundred and sixty rupees.

NOTE.—The payments in respect of such goods other than those received as gifts, will be remittable through authorised dealers in foreign exchange with the permission of the Reserve Bank of India.

- covered by an Open General Licence or Special General Licence issued by the Central Government;
- covered by an executive instruction issued by the Chief Controller of Imports and Exports to the customs authorities;
- by or on behalf of Diplomatic personnel, consular officers and Trade Commissioners in India who are

exempt from payment of Customs duty under Notification 3 dated the 8th January, 1957 of the Government of India in the Ministry of Finance (Deptt. of Revenue);

- from any country, which are exempt from Customs duty on re-importation under Section 20 of the Customs Act, 1962 (52 of 1962) or under Customs Notification Nos. 113, dated 16th May, 1957, 103 dated 25th March 1958, 260 and 261, dated 11th October, 1958, 269, 270, 271, 273, 274, 275 and 276 dated 25th October, 1958, and 68, dated 27th May, 1961 of the Government of India, Ministry of Finance (Department of Revenue), or Notification No. 174, dated 24th September, 1966 as amended or Notification No. 98, dated 21st June, 1969, of the Government of India, Ministry of Finance (Department of Revenue & Insurance) or Notification No. 80, dated 29th August, 1970;
 - of Indian manufacture and foreign made parts of such goods, exported and received back by the manufacturer(s) from the consignee for repair and re-export, provided that :—
 - the Customs authorities are satisfied with the *bona fides* of the case, and
 - in the case of goods other than those exempt from customs duty on re-importation under Customs Notification No. 132 dated 9th December, 1961, a bond is executed by the importer with the Import Trade Control authority at the port concerned to the effect that the goods thus imported will be re-exported after repair within six months;
 - by officials of the United Nations Organisation and its specialised agencies who are exempt from payment of Customs duty under the United Nations (Privileges and Immunities) Act, 1947;
 - being vehicles as defined in Article I of the Customs Convention on the Temporary Importation of Private Road Vehicles or the component parts thereof referred to in Article 4 of the said convention and are exempt from payment of customs duty under the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 224, dated the 3rd August, 1958 as subsequently amended, provided that—
 - such vehicles or component parts are re-exported within the period specified in the said notification or within such further period as the customs authorities may allow.
 - the provisions of the said notification or of the 'Triptyque' or 'Carnet-De-Passage' permit are not contravened in relation to such vehicles or component parts;
 failing which the provisions of this Order shall apply to such vehicles or component parts and such vehicles or components shall be deemed to be goods, the imports of which has been prohibited under the Customs Act, 1962 (52 of 1962).
- Provided that nothing in these exceptions shall prejudice the application to any goods of any other prohibition or regulation affecting the import of goods that may be in force at the time such goods are imported.
- covered by an import licence issued by his Majesty's Government of Nepal and the importer furnishes a bond to the Collector of Customs in the form prescribed by the Collector of Customs with a Scheduled Bank as surety to the effect that he shall pay the duty and pay penalty imposed for contravening Import Trade Control restrictions in respect of the whole or any portion of the goods which is not provided to have entered the territory of Nepal.
 - of Indian manufacture or otherwise by the Central Government or any State Government for repairs, and re-export to Indian Embassies abroad or to any other office of the Central Government or State Government in a foreign country.

(2) Nothing in this Order shall apply to the import of—

(a) drugs and medicines—

- (i) by hospitals or medical institutions for their own use, provided the c.i.f. value of such goods imported at any one time shall not exceed one thousand rupees;
- (ii) by any individual for his personal use provided the c.i.f. value of such goods imported at any one time shall not exceed two hundred rupees;

(b) Medical including surgical, optical and dental instruments, apparatus and appliances and replacement parts and accessories thereof and dental materials permissible for imports under import trade control policy in force at the time of importation :

- (i) by hospitals or medical institutions, for their own use, provided the c.i.f. value of such goods imported at any one time shall not exceed five thousand rupees;
- (ii) by registered medical practitioners for their own use, provided the c.i.f. value of such goods imported shall not exceed two thousand rupees in a financial year subject to the condition that at the time of clearance the importers shall be required to give a declaration to the customs authority to the effect that the c.i.f. value of such goods already imported during the same financial year does not exceed two thousand rupees;

(c) Spare part for medical including surgical optical and dental equipment by hospitals and medical institutions for their own use provided the c.i.f. value of such goods imported at any one time shall not exceed two thousand rupees;

(d) (i) X-Ray films, X-Ray diagnostic agents and X-Ray intensifying screens by hospitals and X-Ray clinics for their own use, provided the c.i.f. value of such goods imported at any one time shall not exceed two thousand rupees; in the case of x-ray films and x-ray intensifying screens and five thousand rupees in the case of x-ray diagnostic agents.

- (ii) X-Ray films and X-Ray diagnostic agents by laboratories for research purposes, provided the c.i.f. value of such goods imported at any one time shall not exceed one thousand rupees;

(e) Scientific instruments, equipments apparatus and appliances, whether electronic or electrically operated or otherwise, replacement parts thereof and components required for the construction of scientific instruments, equipments, apparatus and appliances, whether electronic or electrically operated or otherwise and raw materials, required for research and development and declared as such, by technical and research institutions and Research and Development units recognised by the department of Science and Technology, Govt. of India, New Delhi for their own use upto a value not exceeding Rs. 1 lakh (c.i.f.) in a financial year. The importer shall give a declaration to the Customs Authority at the time of clearance indicating c.i.f. value of such goods already imported in the same year. It shall also be obligatory on the part of the importer to inform the Dept. of Science and Technology, Govt. of India, New Delhi within 30 days of the clearance of goods through the Customs, the particulars of the goods imported.

(f) artist's materials, namely water colour tubes, canvas, brushes (made of hog or sable hair) and palette

knives, by any individual for his personal use, provided the c.i.f. value of such goods imported at any one time shall not exceed one hundred and fifty rupees.

(g) High purity chemicals, by Research and analytical laboratories, for their own use, provided the c.i.f. value of such goods imported at any one time shall not exceed one thousand rupees.

(h) life saving equipment :—

- (i) by hospital or medical institutions for their own use,
- (ii) by any individual for his personal use on production of an essentiality certificate from the State Director of Medical Services or Director General, Health Services, New Delhi, to the Customs authorities.

Provided the life saving equipment imported is of the description specified in Schedule V.

(i) spare parts of agricultural tractors permissible for import under the import trade control policy in force at the time of importation by any individual having imported agricultural tractors for his own use provided the c.i.f. value of such goods shall not exceed one thousand two hundred and fifty rupees in a financial year, subject to the condition that at the time of clearance the importer shall be required to give a declaration to the customs authorities to the effect that the c.i.f. value of the such goods already imported during the same financial year does not exceed one thousand two hundred and fifty rupees.

(j) technical and scientific books permissible for imports under the import trade control policy in force at the time of importation by an individual, for his own use, provided the c.i.f. value of such goods imported at any one time shall not exceed five hundred rupees.

(k) Technical and scientific books permissible for imports under the import trade control policy in force at the time of importation by an educational, technical and research institution or university recognised by the University Grants Commission for its own use, provided the c.i.f. value of such goods imported in a financial year shall not exceed ten thousand rupees, and applications for remittance of foreign exchange are made through the University Grants Commission.

NOTE.—The payment in respect of the goods imported under this sub-clause other than those received as gifts will be remittable though authorised dealers in foreign exchange.

(3) Nothing in this Order shall apply to the import of foodgrains by Food Corporation of India, provided that, at the time of clearance, a declaration to the effect that the import in question has been approved by Central Government, is furnished by the importer to the Customs authorities.

(4) Nothing in this Order shall apply to the import of articles of free & edible material, which are supplied as free gift by agencies approved by the United Nations Organisations and which are exempt from payment of customs duty under the Ministry of Finance (Department of Revenue & Insurance) Notification No. GSR 766, dated 21st June, 1975.

12. Repeals.—The orders contained in the notification specified in Schedule IV are hereby repealed :

Provided that any thing done or any action taken, including any appointment made or licence issued under any of the aforesaid Orders, shall be deemed to have been done or taken under the corresponding provision of this Order.

SCHEDULE I

(See Clause 3)

NOTE:—Each heading number in Column (1) corresponds to the respective Chapter and heading number of the first Schedule to the Customs Tariff Act, 1975 (51 of 1975) and each entry in Column (2) has the same scope and meaning as the corresponding Chapter and heading of the said first schedule.

Heading No.	Sub Heading No. and description of article
1	2

SECTION I

Live Animals; Animal Products.

CHAPTER 1

Live Animals

01-01/06 Live Animals including Live Birds.

CHAPTER 2

Meat and edible meat offals.

02-01/06 Meat including edible meat offals and pig and poultry fat (not rendered or solvent extracted), fresh, chilled, frozen, salted, in brine, dried or smoked.

CHAPTER 3

Fish, crustaceans and molluscus

03-01/03 Fish, fresh (live or dead), chilled, frozen, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water.

CHAPTER 4

Dairy Produce; birds' eggs, natural honey; edible products of animal origin, not elsewhere specified or included.

04-01/07 Milk and cream, fresh or preserved, butter (including ghee), cheese and curd. Birds' eggs and egg Yolks, fresh, dried or otherwise preserved, sweetened or not; natural honey. Edible products of animal origin not elsewhere specified or included.

CHAPTER 5

Products of animal origin, not elsewhere specified or included.

05-01/15 Products of animal origin, not elsewhere specified or included (for example, fish waste; birds' feathers and down not further worked than cleaned, disinfected or treated for preservation; ivory tortoise shell and other shells, unworked or simply prepared but not cut to shape; coral and similar substances, unworked or simply prepared; natural sponges).

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SECTION II

Vegetable Products.

CHAPTER 6

Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage.

06-01/04 Living plants and parts thereof, suitable for planting or for ornamental purposes; florists wares.

CHAPTER 7

Edible vegetables and certain roots and tubers

07-01/06 Vegetables, fresh, dried, dehydrated, or evaporated, provisionally preserved but not specially prepared for immediate consumption, dried leguminous vegetables including pulses, shelled or unshelled; roots and tubers with high starch content; Sago pith.

CHAPTER 8

Edible fruit and nuts; peel of melons or citrus fruit.

08-01/13 Fruits, melon peel, citrus fruit peel and nuts (shelled or not) fresh or dried, preserved by freezing (whether or not cooked, but not containing added sugar), provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.

CHAPTER 9

Coffee, tea, mate and Spices.

09-01/10 Coffee, whether or not roasted or freed of caffeine; coffee husks and skins, coffee substitutes containing coffee in any proportion. Tea and mate. Spices including mixed spices.

CHAPTER 10

Cereals

10-01/07 Wheat, rice, maize and other cereals.

CHAPTER 11

Products of the milling industry; malt and starches; gluten; inulin.

11-01/09 Cereal flours. Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice. Flours, meal and flakes of potatoes, of the leguminous vegetables and of the roots and tubers falling within Chapter

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	7 or of the fruits falling within Chapter 8; malt, roasted or not; starches; wheat gluten, whether or not dried.
CHAPTER 12	
Oil seeds and oleaginous fruit; Miscellaneous grains, seeds and fruit; Industrial and medical plants; straw and fodder.	
12-01/10	Oil seeds and oleaginous fruit, whole or broken. Flours or meals of oil seeds or oleaginous fruit, non defatted (excluding mustard flour). Seeds, fruit and spores, of a kind used for sowing.
	Sugar beet, whole or sliced, fresh, dried or powdered; sugar cane; chicory roots, fresh or dried, whole or cut, unroasted; hops. Plants and parts (including seeds and fruit) of trees, bushes, shrubs or other plants, being goods of a kind used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes, fresh, dried, whole, cut, crushed ground or powdered, betelnuts. Locust beans, fresh or dried, whether or not kibbled or ground, but not further prepared; fruit kernels and other vegetable products of a kind used primarily for human food, not falling within any other heading. Cereals straw and husks unprepared or chopped but not otherwise prepared; hay and similar forage products.
CHAPTER 13	
Raw vegetable materials of a kind suitable for use in dyeing or in tanning; lacs; gums, resins and other vegetable saps and extracts.	
13-01/03	Raw vegetable materials of a kind used primarily in dyeing or in tanning. Shellac, Seed Lac, Stick Lac and other Lacs, natural gums, resins, gumresins and balsams. Vegetable Saps and extracts; pectic substances, pectinates and pectates; agar-agar and other natural mucilages and thickeners, derived from vegetable products.
CHAPTER 14	
Vegetable plaiting and carving materials; vegetable products not elsewhere specified or included.	
14-01/05	Vegetable materials of a kind used primarily for plaiting, stuffing or in brushes or in brooms; hard seeds, pips, hulls and nuts, of a kind used for carving (for example corozo and dom); vegetable products not elsewhere specified or included.
SECTION III	
ANIMAL AND VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL AND VEGETABLE WAXES.	
CHAPTER 15	
Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes.	
15-01/06	ANIMAL (including fish) fats and oils, crude, refined or purified.

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15-07	Fixed vegetable oils, fluid or solid, crude, refined or purified.
15-08/13	Animal and vegetable oils, boiled, oxidised, dehydrated or otherwise modified; fatty acids, acid oils from refining; fatty alcohols; glycerol and glycerolles; animal or vegetable oils hydrogenated or solidified by any other process; degreas, margarine, imitation lard and other prepared animal fats.
15-14/17	Spermaceti and insect or vegetable waxes whether or not coloured; residues resulting from the treatment of fatty substances or animal or vegetable waxes.

SECTION IV**PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR, TOBACCO.****CHAPTER 16****Preparations of meat, of fish, of crustaceans or molluscs.**

16-01/05	Prepared or preserved meat, fish including caviar and caviar substitutes, crustaceans and molluscs; meat extracts and meat juices; fish extracts.
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CHAPTER 17**Sugar and Sugar confectionery**

17-01/05	Beet sugar and cane sugar, solid. Other sugars including glucose and lactose; sugar syrups; artificial honey (whether or not mixed with natural honey), caramel. Molasses, whether or not decolourised. Sugar confectionery not containing cocoa; flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion.
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CHAPTER 18**Cocoa and cocoa preparations.**

18-01/06	Cocoa and cocoa preparations (for example, cocoa beans, shells, husks, skins and waste, cocoa paste, cocoa butter, cocoa powder, chocolate and other food preparations containing cocoa).
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CHAPTER 19**Preparations of cereals, flour or starch; pastrycooks' products.**

19-01/08	Malt extract; preparations of flour, meal, starch or malt extract of a kind used for infant food or for dietetic or culinary purposes, containing less than 50 per cent, by weight of cocoa; macaroni and similar products; tapioca and sago and their substitutes; prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); ordinary and fine bakers' wares (for example, bread, rusks, biscuits, pastry and cakes).
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CHAPTER 20**Preparations of vegetables, fruit or other parts of plants.**

20-01/07	Fruits preserved by freezing, containing added sugar; fruits; fruit peel and parts
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	of plants, preserved by sugar; jams, fruit jellies, marmalades, fruit puree and fruit pastes, being cooked preparations; vegetable and fruit juices, neither fermented nor containing alcohol; fruit or vegetables prepared or preserved by vinegar, acetic acid or otherwise
CHAPTER 21	
Miscellaneous edible preparations	
21-01/07	Roasted chicory and roasted coffee substitutes, and extracts, essences and concentrates thereof; extracts, essences of concentrates of coffee or tea or mater and preparations with a basis of these extracts, essences or concentrates; mustard flour and prepared mustard; sauces; mixed condiments and mixed seasonings; soups and broths; homogenised composite food preparations; natural yeasts and prepared baking powders; food preparations not elsewhere specified or included.
CHAPTER 22	
Beverages, spirits and Vinegar	
22-01/02	Waters, including spa waters and aerated waters (whether or not flavoured); lemonade and other non alcoholic beverages, not including fruit and vegetable juices falling within Chapter 20; ice and snow.
22-03/07	Beer made from malt; wine of fresh grapes, including grape must, in fermentation or with fermentation arrested; vermouths and other wines of fresh grapes, flavoured with aromatic extracts; other fermented beverages (for example, cider, perry and mead).
22-08	Ethyl alcohol or neutral spirits undenatured, of a strength of 80° or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength.
22-09	Spirits (other than those of Heading No. 22-08); liquors and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages.
22-10	Vinegar and substitutes for vinegar.
CHAPTER 23	
Residues and waste from the food industries, prepared animal fodder.	
23-01/07	Residues and waste of food industries (for example, inedible meat or fish flour or meal); milling residues, waste from sugar, brewing and distilling and starch industries; oil cake and other residues from oil extraction (except dregs); products of vegetable origin of a kind used for animal food, not elsewhere specified or included; sweetened for-age and other prepared animal fodder.
CHAPTER 24	
Tobacco	
24-01/07	Unmanufactured tobacco; tobacco refuse, manufactured tobacco; tobacco extracts and essences.

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SECTION V	
MINERAL PRODUCTS	
CHAPTER 25	
Salt, sulphur, earths and stone; plastering materials, lime and cement.	
25-01/32	Mineral substances, not elsewhere specified (including clay, earths, earth colours, natural abrasives, salt, sulphur, slate and stone); cements, all sorts, not elsewhere specified (including Portland cement and clinker); lime; plasters, with a basis of calcium sulphate, whether or not coloured, but not including plasters specially prepared for use in dentistry.
CHAPTER 26	
Metallic ores, slag and ash	
26-01/04	Metallic ores and concentrates; roasted iron pyrites. Slag, ash and residues containing metals or metallic compounds.
CHAPTER 27	
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	
27-01/06	Coal (including solid fuels manufactured therefrom); lignite, peat; coke and semi coke of coal, of lignite or of peat; retort carbon; mineral tars (including partially distilled tars and blends of pitch with creosote oils or with other coal tar distillation products).
27-07	Oils and other products of the distillation of high temperature coal tar; similar products as defined Note 2 to this Chapter in Schedule 1 of the Customs Tariff Act, 1975
27-08	Pitch and pitch coke, obtained from coal tar or from other mineral tars.
27-09	Petroleum oils and oils obtained from bituminous minerals, crude.
27-10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70 per cent, by weight of petroleum oils or if oils obtained from bituminous minerals, these oils being the basic constituents of the preparations.
27-11	Petroleum gases and other gaseous hydrocarbons.
27-12/13	Petroleum jelly; paraffine wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured.
27-14/16	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals; bitumen and asphalt, natural; bituminous shale, asphaltic rock and tar sands; bituminous mixtures based on natural

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	asphalt, on natural or petroleum bitumen, on mineral tar or mineral tar pitch (for example, bituminous mastics, cut-backs.).	32-02/03	Tannins (Tannic acids) and their derivatives; synthetic organic tanning substances and inorganic tanning substances; tanning preparations, whether or not containing natural tanning materials; enzymatic preparations for pre-tanning (for example, of enzymatic, pancreatic or bacterial origin.) :
SECTION VI		32-04/12	Colouring matter; synthetic organic dyes tuffs (including pigment dyestuffs); products of a kind used as luminophores; optical bleaching agents substantive to the fibre; prepared pigments; colour lakes; paints, varnishes and enamels; prepared driers; putty, fillers and stoppings; glass frit and other glass in the form of powder, granules or flakes; stamping foils.
PRODUCTS OF THE CHEMICAL AND ALLIED INDUSTRIES.		32-13	Writing ink, printing ink and other inks.
CHAPTER 28		CHAPTER 33	
Inorganic Chemicals; Organic and Inorganic Compounds of precious metals, of rare earth metals, of radio-active elements and of isotopes.		Essential oils and resinoids; perfumery, cosmetics and toilet preparations.	
28-01/58	Chemical elements, inorganic chemical compounds and other products as specified in Notes 1 and 2 to this Chapter in schedule 1 of the Customs Tariff Act, 1975.	33-01/06	Essential oils, natural or synthetic; aqueous distillates and aqueous solutions of essential oils, including such products suitable for medicinal uses; concretes and absolutes; resinoids; perfumery, cosmetics and toilet preparations, room deodorisers.
CHAPTER 29		CHAPTER 34	
Organic Chemicals		Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing and scouring preparations, candles, and similar articles, modelling pastes and "dental waxes".	
29-01/45	Organic compounds including antibiotics, enzymes, hormones, sulphadriugs, Vitamins and other products specified in Notes 1 and 2 to this Chapter in Schedule 1 of the Customs Tariff Act, 1975.	34-01/07	Soap, organic surface-active agents, surface-active preparations, washing preparations, lubricating preparations (excluding preparations containing 70 per cent or more by weight of petroleum oils or of oils obtained from bituminous minerals), artificial waxes, prepared waxes not emulsified or containing solvents, polishing and scouring preparations, candles and similar articles, modelling pastes and dental waxes.
CHAPTER 30		CHAPTER 35	
Pharmaceutical Products		Albuminoidal substances; glues	
30-01	Organo-therapeutic glands or other organs, dried, whether or not powdered; organo-therapeutic extracts or glands or other organs or of their secretions; other animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included.	35-01/06	The following substances and their derivatives, namely, casein, albumins, gelatin (whether or not coloured or surface-worked), pectones and other protein substances; isinglass; hide powder; dextrins; soluble or roasted starches; glues not elsewhere specified or included.
30-02	Antisera; microbial vaccines, toxins, microbial cultures (including ferments but excluding yeasts) and similar products.	CHAPTER 36	
30-03	Medicaments (including veterinary medicaments).	Explosives; pyrotechnic products; Matches; Pyrophoric alloys; certain combustible preparations.	
30-04/05	Wadding, gauze, bandages and similar articles (for example, dressing, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in retail packing for medical or surgical purposes, sterile surgical suture materials and other pharmaceutical goods specified in Note 3 to this Chapter in schedule-1 of the Customs Tariff Act, 1975.	36-01/08	Explosives including detonators and blasting fuses; pyrotechnic articles (for example, fireworks, railway fog signals, amorces, rain rockets); matches; pyrophoric alloys and other combustible products as specified in Note 2 to this Chapter in schedule of to the Customs Tariff Act, 1975.
CHAPTER 31			
Fertilisers and allied Chemicals			
31-01	Guano and other natural animal or vegetable fertilisers, whether or not mixed together, but not chemically treated.		
31-02/05	Mineral or chemical fertilisers, nitrogenous, phosphatic or potassic, and other fertilisers.		
CHAPTER 32			
Tanning and dyeing extracts; tannins and their derivatives; dyes, colours, paints and varnishes; putty, fillers and stoppings; inks.			
32-01	Tanning extracts of vegetable origin.		

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CHAPTER 37

Photographic and Cinematographic goods

- 37-01/08 Photographic plates and film, sensitised, whether or not exposed or developed; sensitised paper, paper-board and cloth (including those used in X-ray, electro-cardiographic, recording and photo-copying work) whether or not exposed but not developed; cinematograph film; chemical products and flash light materials of a kind and in a form suitable for use in photography as specified in Note 2 to this Chapter in schedule 1 of the Customs Tariff Act, 1975.

CHAPTER 38

Miscellaneous Chemical Products.

- 38-01/19 Chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included.

SECTION-VII

ARTIFICIAL RESINS AND PLASTIC MATERIALS, CELLULOSE ESTERS AND ETHERS AND ARTICLES THERE OF; RUBBER, SYNTHETIC RUBBERS, FACTICE, AND ARTICLES THERE OF

CHAPTER 39

Artificial resins and plastic materials, cellulose esters and ethers; articles thereof.

- 39-01/06 Artificial resins such as condensation; polycondensation, polyaddition; polymerisation and copolymerisation products; artificial plastic materials, sill-cones; natural resins modified by fusion or esterification such as run gums or ester gums; regenerated cellulose; chemical derivatives of cellulose; vulcanised fibre; hardened proteins; chemical derivatives of natural rubber; other high polymers (including alginic acid, its salts and esters); linoxyn.

- 39-07 Articles of the materials described in Heading No. 39-01/06.

CHAPTER 40

Rubber, synthetic rubber, factice and articles thereof.

- 40-01/04 Raw rubber, natural or synthetic; rubber latex, natural or synthetic (including mixtures thereof) whether or not pre-vulcanised; balata, gutta-percha and similar natural gums, factice derived from oils; reclaimed rubber; waste and scrap of unhardened rubber.
- 40-05/16 Preparations (including master batches) of natural or synthetic rubber; manufactures of natural or synthetic rubber, whether or not vulcanised or hardened, not elsewhere specified; waste and scrap of hardened rubber.

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SECTION VIII

RAW HIDES AND SKINS, LEATHER, FUR-SKINS AND ARTICLES THEREOF; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF GUT (OTHER THAN SILK-WORM-GUT)

CHAPTER 41

Raw hides and skins (other than furskins) and leather

- 41-01 Raw hides and skins (fresh, salted, dried, pickled or limed), whether or not split, including sheep skins in the wool.
- 41-02/10 Bovine cattle leather (including buffalo leather) and equine leather; sheep and lambskin leather, other kinds of leather including composition leather; parings and other waste of leather or of composition leather

CHAPTER 42

Articles of leather: saddlery and harness: travel goods, handbags and similar containers: articles of animal gut (other than silk worm gut)

- 42-01/06 Saddlery and harness, of any material; travel goods (for example; trunks and suit-cases), handbags, purses, brief cases and similar containers (but excluding articles of basket-work and wicker work); other articles of leather or of composition leather; articles made from gut or similar materials

CHAPTER 43

Furskins and artificial fur; manufactures thereof

- 43-01/04 Furskins and artificial fur and articles made thereof.

SECTION IX

WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CORK; MANUFACTURES OF STRAW, OF ESPARTO AND OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK.

CHAPTER 44

Wood and articles of Wood; wood charcoal

- 44-01/28 Wood in the rough, fuel wood, wood waste and wood charcoal; wood flour and wood wool; sawn and dressed timber; veneered wood, plywood, cellular wood, improved wood and reconstituted wood; spools, bobbins and the like of turned wood; articles of wood, not elsewhere specified

CHAPTER 45

Cork and articles of Cork

- 45-01/04 Natural or agglomerated cork and articles thereof; waste cork

CHAPTER 46

Manufactures of straw, of esparto and of other plaiting Materials, basketware and wickerwork

- 46-01/03 Articles made of plaiting materials, including matting, mats and screens, basket-work and wickerwork.

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SECTION X	
PAPER MAKING MATERIAL : PAPER AND PAPER BOARD AND ARTICLES THEREOF	
CHAPTER 47	
Baper-making Material	
47-01	Pulp derived by mechanical or chemical means from any fibrous vegetable material
47-02	Waste paper and paperboard; scrap article of paper or of paperboard, fit only for use in paper making.
CHAPTER 48	
Paper and paperboard, articles of paper pulp, of paper or of paper board	
48-01/21	Paper and paper board, all sorts, whether in rolls, sheets or cut to size or shape (including cellulose wadding, composite paper or paperboard and impregnated, coated, corrugated, embossed, perforated, surface coloured or decorated, ruled or printed paper or paperboard); filter blocks, slabs and plates of paper, pulp; building board of woodpulp or vegetable fibre whether or not bonded with natural or artificial resins or similar binders; stationery made of paper or paperboard; articles not elsewhere specified, of paper, paperboard, paper pulp or cellulose wadding.
CHAPTER 49	
Printed books, newspapers, pictures and other products of the printing industry, manuscripts, typescripts and plans	
49-01	Printed books, booklets, brochures, pamphlets and leaflets.
49-02	Newspapers, journals and periodicals, whether or not illustrated.
49-03	Children's picture books and painting books
49-04/06	Music, printed or in manuscripts, whether or not bound or illustrated; maps and charts of all kinds (including atlases and printed globes); plans and drawings, for industrial, architectural, engineering, commercial or similar purposes, whether original or reproductions on sensitised paper; manuscripts and typescripts.
49-07	Unused postage, revenue and similar stamps of current or new issue in India; stamp-impressed paper; bank notes, stock, share and bond certificates and similar documents of title; cheque books.
49-08/11	Transfers (De calcomanias); picture post-cards, Christmas and other picture greeting cards, calendars, printed pictures and photographs; other printed matter, including trade catalogues and advertising material.
SECTION XI	
TEXTILES AND TEXTILE ARTICLES	

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CHAPTER 50	
Silk and waste silk	
50-01	Silk worm Cocoons suitable for reeling.
50-02	Raw silk (not thrown).
50-03/07	Silk waste (including cocoons unsuitable for reeling, silk noils and pulled or garnetted rags); silk yarn.
50-08	Silk worm gut and imitation catgut of silk.
50-09/10	Woven fabrics of silk including waste silk and noil silk.
CHAPTER 51	
Man made fibres (continuous)	
51-01/03	Yarn of man-made fibres (continuous); monofil, strip (artificial straw and the like) and imitation catgut, of man-made fibre materials
51-04	Woven fabrics of man-made fibres (continuous); including woven fabrics of monofil or strip of Heading No. 51-01/03
CHAPTER 52	
Metalised textiles	
52-01	Metalised yarn, being textile yarn-spun with metal or covered with metal by any process.
52-02	Woven fabrics of metal thread or of metalised yarn, of a kind used in articles of apparel, as furnishing fabrics or the like.
CHAPTER 53	
Wool and other animal hair	
53-01/05	Sheep's or lambs' wool and other animal hair, whether or not carded or combed, and waste of such wool or of animal hair, whether or not pulled or garnetted (including pulled or garnetted rags).
53-06/10	Yarn of sheep's or lambs' wool, or horse-hair or of other animal hair.
53-11/13	Woven fabrics of sheep's or lambs' wool, of horse-hair or of other animal hair.
CHAPTER 54	
Flax and ramie	
54-01/02	Flax and ramie, raw or processed but not spun; flax tow and waste and ramie noils and waste (including pulled or garnetted rags).
54-03/04	Flax or ramie yarn.
54-05	Woven fabrics of flax or of ramie.
CHAPTER 55	
Cotton	
55-01/04	Cotton whether or not carded or combed; cotton linters and waste.
55-05/06	Cotton yarn.
55-07/09	Woven fabrics of cotton.

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CHAPTER 56	
Man-made fibres (discontinuous)	
56-01/04	Man-made fibres (discontinuous) and waste (including yarn waste and pulled gernetted rags) of man-made fibres (continuous or discontinuous) whether or not carded or combed or otherwise prepared for spinning; continuous filament tow
56-05/06	Yarn of man-made fibres (discontinuous or waste)
56-07	Woven fabrics of man made fibres (discontinuous or waste)
CHAPTER 57	
Other vegetable textile material, paper yarn and woven fabrics of paper yarn	
57-01/04	Hemp, jute and other vegetable textile fibres, raw or processed but not spun; tow and waste of such fibres
57-05/08	Yarn of hemp, of jute or of other vegetable textile fibres; paper yarn
57-09/12	Woven fabrics of hemp, of jute or of other vegetable textile fibres; woven fabrics of paper yarn
CHAPTER 58	
Carpets, mats, matting and tapestries; pile and chenille fabrics; narrow fabrics; trimmings, tulle and other net fabrics, lace, embroidery	
58-01/0	Carpets, carpeting, rugs, mats and matting (made up or not); tapestries
58-04/10	Pile and chenille fabrics, narrow woven fabrics and other narrow fabrics; labels, badges and the like; chenille yarn (including flock chenille yarn); gimped yarn; braids; trimmings; net fabrics; lace; embroidery
CHAPTER 59	
Wadding and felt, twine, cordage, ropes and cables, special fabrics, impregnated and coated fabrics, textile articles of a kind suitable for industrial use	
59-01/15	Wadding, felt, bonded fibre fabrics, similar bonded yarn fabrics, twine, cordage, ropes and cables, and articles thereof (including nets and netting); impregnated, coated; covered or laminated textile fabrics elastic fabrics, wicks and textile hose piping.
59-16/17	Transmission, conveyer or elevator belts or belting, of textile material, whether or not strengthened with metal or other material; textile fabrics and textile articles, of a kind commonly used in machinery or plant.
CHAPTER 60	
Knitted and crocheted goods	
60-01/06	Knitted or crocheted fabric, whether or not elastic or rubberised; undergarments and outer garments, gloves, stockings and the like, knitted or crocheted, or made of knitted or crocheted fabric

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CHAPTER 61	
Articles of apparel and clothing accessories of textile fabric, other than knitted or crocheted goods	
61-01/11	Articles of apparel and clothing accessories of textile fabric, other than knitted or crocheted goods falling within Chapter 60
CHAPTER 62	
Other made up textile articles	
62-01/05	Other made up textile articles including travelling rugs, blankets, household linen, curtains and other furnishing articles, sacks and bags, tarpaulins, tents and camping goods.
CHAPTER 63	
Old clothing and other textile articles, rags	
63-01	Clothing, clothing accessories, travelling rugs and blankets, household linen and furnishing articles (other than articles falling within Chapter 58), of textile materials, footwear and headgear of any material, showing signs of appreciable wear and imported in bulk packings.
63-02	Used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables.
SECTION XII	
FOOTWEAR, HEADGEAR, UMBRELLAS, SUNSHADES, WHIPS, RIDING-CROPS AND PARTS THEREOF; PREPARED FEATHERS AND ARTICLES MADE THEREWITH; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR; FANS	
CHAPTER 64	
Footwear, gaiters and the like, parts of such articles	
64-01/06	Footwear, all sorts, of any material except asbestos and parts thereof of any material except asbestos or metal; gaiters, spat; leggings, puttees, cricket pads, shin-guards and similar articles, parts thereof
CHAPTER 65	
Headgear and parts thereof	
65-01/07	Headgear and parts thereof including hair nets
CHAPTER 66	
Umbrellas, sunshades, walking sticks, whips, riding crops and parts thereof	
66-01/03	Umbrellas and sunshades, all sorts; walking sticks and the like; parts, fittings, trimmings and accessories of the foregoing.
CHAPTER 67	
Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair; fans	
67-01/05	Skins and other parts of birds with their feathers or down; prepared feathers and down and articles made of feathers or of down; artificial flowers; human or animal hair; worked; articles of human hair; wig, and the like; and animal hair prepared for use in making them; fans (non-mechanical)

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SECTION XIII

Articles of Stone, of Plaster, of Cement, of bespos, of Mica and of Similar Materials; Ceramic Products Glass and Glassware

CHAPTER 68

Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials

- 68-01/16 Articles of natural or artificial stone, of agglomerated natural or artificial abrasives, of plastering material, of cement, of concrete, of asbestos, of asbestos-cement or cellulose fibre-cement, or of mica; articles of vegetable materials agglomerated with mineral binders; mineral wools; expanded mineral materials; articles of other mineral substances, not elsewhere specified or included.

CHAPTER 69

Ceramic products

- 69-01/02 Heat-insulating bricks, blocks, tiles and other heat-insulating goods of siliceous fossil meals or of similar siliceous earths (for example, kieselguhr, tripolite or diatomite); refractory bricks, blocks, tiles and similar refractory constructional goods.
- 69-03 Other refractory goods (for example, retorts, crucibles, muffles, nozzles, plugs, supports, cupels, tubes, pipes, sheaths and rods).
- 69-04/08 Building bricks, roofing tiles, earth and wall tiles and other constructional goods; piping, conduits and guttering (including angles, bends and similar fittings).
- 69-09 Laboratory, chemical or industrial wares; troughs, tubs and similar receptacles of a kind used in agriculture; pots, jars and similar articles of a kind commonly used for the conveyance or packing of goods.
- 69-10/14 Other articles including sanitary fixtures, tableware and domestic-ware.

CHAPTER 70

Glass and glassware

- 70-01/16 Glass and glassware, including containers for the conveyance or packing of goods, envelopes for electric lamps, electronic valves or the like, inners for vacuum flasks, articles of stationery, illuminating glassware, optical elements of glass not optically worked nor of optical glass, clock and watch glasses and bricks, tiles, slabs and similar articles of a kind commonly used in building.
- 70-17/18 Laboratory, hygienic and pharmaceutical glassware, whether or not graduated or calibrated; glass ampoules; optical glass and elements of optical glass, other than optically worked elements; blanks for corrective spectacle lenses.
- 70-19 Glass beads, imitation pearls, imitation precious and semi-precious stones, and similar fancy or decorative glasswares, and articles of glassware made therefrom; glass cubes and small glass plates, for decorative purposes; artificial eyes of glass, excluding those

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for wear by humans; ornaments and other fancy articles of lampworked glass; glass grains (ballotini).

70-20

Glass fibre (including wool), yarns, fabrics and articles made therefrom.

70-21

Other articles of glass

SECTION XIV

Pearls, Precious and Semi-Precious Stones, Precious Metals, Rolled Precious Metals, and Articles thereof; Imitation Jewellery; Coin.

CHAPTER 71

Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof: imitation jewellery

71-01

Pearls unworked or worked, but not mounted, set or strung (except ungraded pearls temporarily strung for convenience of transport).

71-02

Precious and semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport).

71-03

Synthetic or reconstructed precious or semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport).

71-04

Dust and powder of natural or synthetic precious or semi-precious stones

71-05/11

Precious metals, namely, silver, gold and platinum and other metals of the platinum group, rolled precious metals, silver gilt and platinum plated gold or silver, unwrought, or semi-manufactured; jewellers' sweepings and other waste and scrap of precious metal.

71-12/15

Jewellery, goldsmiths' and silversmiths' wares and other articles, of precious metal or rolled precious metal, and parts thereof; articles consisting of, or incorporating, pearls, precious or semi-precious stones (natural, synthetic or reconstructed).

71-16

Imitation jewellery

CHAPTER 72

Coin

72-01

Coin

SECTION XV

Base Metals and Articles of base Metal

CHAPTER 73

Iron and steel and articles thereof

73-01

Pig iron, cast iron and spiegeleisen, in pigs, blocks, lumps and similar forms.

73-02

Ferro-alloys.

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73-03/05	Waste and scrap metal, shot and angular grit (whether or not graded); wire pellets, iron or steel powders; sponge-iron or steel.	73-26	Barbed iron or steelwire; twisted hood or single flat wire, barbed or not, and loosely twisted double wire, of kinds used for fencing, of iron or steel
73-06/07	Puddled bars, pilings, ingots, blocks, lumps and similar forms, blooms, billets, slabs and sheet bars (including tinplate bars), of iron or steel pieces roughly shaped by forging, of iron or steel.	73-27/28	Gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials, of iron or steel wire; expanded metal of iron or steel
73-08	Iron or steel coils for re-rolling	73-29	Chain and parts thereof, of iron or steel
73-09	Universal plates of iron or steel	73-30	Anchors and grapnels and parts thereof, of iron or steel.
73-10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel.	73-31	Nails, tacks, staples, hook-nails, corrugated nails, spiked caramps, studs, spikes and drawing pins, of iron or steel, whether or not with heads of other materials, but not including such articles with heads of copper.
73-11	Angles, shapes and sections, of iron or steel, hot rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements.	73-32	Bolts and nuts (including bolt ends and screw studs), whether or not threaded or tapped, and screws (including screw hooks and screw rings), of iron or steel; rivets, cotters, cotter-pins, washers and spring washers, of iron or steel
73-12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled	73-33/40	Other articles of iron or steel
73-13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled.	CHAPTER 74	
73-14	Iron or steel wire, whether or not coated, but not insulated	Copper and articles thereof	
73-15	Alloy steel and high carbon steel in the form mentioned in Headings Nos. 73-06/07 to 73-14	74-01/02	Copper matte; unwrought copper (refined or not); copper waste and scrap; master alloys
73-16	Railway and tramway track construction material of iron or steel, the following : rails, check-rails, switch blades, crossings (or frogs), crossing pieces, point rods, rack rails, sleepers, fish plates, chairs, chair wedges, sole plates (base plates), rail clips, bed-plates, ties and other material specialised for joining or fixing rails.	74-03	Wrought bars, rods, angles, shapes and sections, of copper; copper wire
73-17/19	Tubes and pipes and blanks thereof, of iron or steel	74-04/05	Wrought plates, sheets, strip and foil, of copper
73-20	Tube and pipe fittings (for example, joints, elbows, unions and flanges), of iron or steel	74-06	Copper powders and flakes
73-21	Structures and parts of structures (for example, hangers and other buildings, bridges and bridge sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, door and window frames, shutters, balustrades, pillars and columns), of iron or steel; plates, strip, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel	74-07/08	Tubes and pipes and blanks thereof, of copper; hollow bars of copper; tube and pipe fittings (for example, joints, elbows, sockets and flanges), of copper.
73-22/23	Reservoirs, tanks, vats, casks, drums, cans, boxes and similar containers for any material (other than compressed or liquefied-gas), of iron or steel	74-09/19	Other articles of copper
73-24	Containers of iron or steel, for compressed or liquefied-gas	CHAPTER 75	
73-25	Stranded wire, cables, cordage, ropes, plaited bands, slings and the like, of iron or steel wire, but excluding insulated electric cables	Nickel and articles thereof	
		75-01	Nickel mattes, nickel speis and other intermediate products of nickel metallurgy; unwrought nickel (excluding electro-plating anodes); nickel waste and scrap
		75-02	Wrought bars, rods, angles, shapes and sections of nickel; nickel wire
		75-03	Wrought plates, sheets and strip, of nickel; nickel foil; nickel powders and flakes
		75-04/06	Other articles of nickel
		CHAPTER 76	
		Aluminium and articles thereof	
		76-01	Unwrought aluminium; aluminium waste and scrap

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76-02	Wrought bars, rods, angles, shapes and sections of aluminium; aluminium wire
76-03/04	Wrought plates, sheets, and strip of aluminium; aluminium foil
76-05	Aluminium powders and flakes
76-06/07	Tubes and pipes and blanks therefor, of aluminium; hollow bars of aluminium; tube and pipe fittings (for example, joints, elbows, sockets and flanges) of aluminium
76-08 16	Other articles of aluminium

CHAPTER 77**Magnesium and beryllium and articles thereof**

77-01/03	Magnesium unwrought or wrought, and articles of magnesium
77-04	Beryllium unwrought or wrought and articles of beryllium

CHAPTER 78**Lead and articles thereof**

78-01	Unwrought lead (including argentiferous lead); lead waste and scrap
78-02/06	Lead wrought and articles of lead

CHAPTER 79**Zinc and articles thereof**

79-01	Unwrought zinc; zinc waste and scrap
79-02	Wrought bars, rods, angles, shapes and sections of zinc; zinc wire
79-03	Wrought plates, sheets and strip of zinc; zinc foil; zinc powders and flakes
79-04/06	Other articles of zinc

CHAPTER 80**Tin and articles thereof**

80-01	Unwrought tin; tin waste and scrap
80-02/06	Tin wrought and articles of tin

CHAPTER 81**Other base metals employed in metallurgy and articles thereof**

81-01/04	Tungsten, molybdenum, tantalum and other base metals, wrought or unwrought, and articles thereof
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CHAPTER 82**Tools, implements, cutlery, spoons and forks, of base metal; parts thereof**

82-01/07	Hand tools (for example, spades, hoes, hewing tools, scythes and hay knives) of a kind used in agriculture, horticulture or forestry; saws, (non-mechanical) and blades for hand or machine saws (including
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	toothless saw blades); hand tools, not falling within any other Heading of this Chapter; including glaziers' diamonds, pliers, tinmen's snips, bolt croppers, perforating punches, spanners and wrenches (other than tap wrenches), files and rasps; blow lamps, anvils; vices and clamps, other than accessories for, and parts of, machine tools; portable forges; grinding wheels with frameworks (hand or pedal operated).
82-05	Interchangeable tools for hand tools, for machine tools or for power operated hand tools (for example, for pressing, stamping, drilling, tapping, threading, boring, broaching, milling, cutting, turning, dressing, mortising or screw driving), including dies for wire drawing, extrusion dies for metal, and rock drilling bits.
82-06	Knives and cutting blades, for machines or for mechanical appliances
82-07	Tool-tips and plates, sticks and the like for tool-tips, unmounted, of sintered metal carbides (for example, carbides of tungsten, molybdenum or vanadium)
82-08/15	Coffee-mills, mincers, juice-extractors and other mechanical appliances of a weight not exceeding ten kilograms and of a kind used for domestic purposes in the preparation, serving or conditioning of food or drink; knives (other than those falling within Heading No. 82-06), scissors, knife and scissor blades, and other articles of cutlery (including spoons, forks, ladles and similar kitchen or tableware); razors or razor blades (including razor blade blanks, whether or not in strips); manicure and chiropody sets and appliances; handles of base metal for any of the above articles.
CHAPTER 83	
Miscellaneous articles of base metal	
83-01/15	Miscellaneous articles of base metal:
	(1) Locks, all sorts (including frame incorporating locks, for handbags, trunks or the like), and parts thereof; lock keys, fittings and mountings of a kind suitable for furniture, doors, staircases, blinds, coachwork, saddlery, trunks, gaskets and the like (including automatic door closers); hat-racks, hat-pegs, brackets and the like; lamps and lighting fittings, and parts thereof (excluding articles falling within Chapter 85); fittings (for example, clasps, buckles, hooks, eyes and eyelets) of a kind commonly used for clothing, travel goods, handbags or other textile or leather goods; tubular rivets and bifurcated rivets; photograph picture and similar frames; mirrors of base metal; sign-plates, name-plates, numbers, letters & other signs
	(2) Safes, strong-boxes, strong-rooms (including linings and doors thereof); cash and deed boxes and the like; office equipment (for example, filing cabinets, racks, sorting boxes, paper trays

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	and paper rests) other than office furniture falling within Chapter 94; fittings for loose leaf binders, for files or for stationery books; letter clips, staples, indexing tags and similar stationery goods; statuettes and other ornaments of a kind used indoors; flexible tubing and piping; beads and spangles; bells and gongs, non-electric, and parts thereof; stopper, crown corks, bottle caps, capsules, bung covers, seals and ploms, case corner protectors and other packing accessories	84·13	Furnace burners for liquid fuel (atomisers), for pulverised solid fuel or for gas; mechanical stokers, mechanical grates, mechanical ash dischargers and similar appliances
(3)	Wire, rods, tubes, plates, electrodes and similar products, of base metal or of metal carbides, coated or cored with flux material, of a kind used for soldering, brazing, welding or deposition of metal or of metal carbides; wire and rods, of agglomerated basemetal powder, used for metal spraying	84·14	Industrial and laboratory furnances and ovens, non-electric
		84·15	Refrigerators and refrigerating equipment (electrical and other)
		84·16	Calendering and similar rolling machines (other than metal-working and metal-rolling machines and glass-working machines) and cylinders therefor
		84·17	Machinery, plant and similar laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, not being machinery or plant of a kind used for domestic purposes; instantaneous or storage water-heaters, non-electrical
		84·18	Centrifuges; filtering and purifying machinery and apparatus (other than filter funnels, milk strainers and the like), for liquids or gases
		84·19	Machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags or other containers; other packing or wrapping machinery; machinery for aerating beverages; dish washing machines
		84·20	Weighing machinery (excluding balances of a sensitivity of 5 centigrammes or better), including weight-operated counting and checking machines; weighing machine weights of all kinds.
		84·21	Mechanical appliances (whether or not hand operated) for projecting, dispersing or spraying liquids or powders; fire extinguishers (charged or not); spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines
		84·22	Lifting, handling, loading or unloading machinery, tel phers and conveyors (for example, lifts, hoists, winches, cranes, tran porter cranes, jacks, pulley tackle belt conveyors and teleferics) not being machinery falling within Heading No. 84·23
		84·23	Excavating, levelling, tamping, boring and extracting machinery, stationary or mobile, for earth, minerals or ores (for example, mechanical shovels, coal-cutters, excavators, scrapers, levellers and bulldozers); pile-drivers; snow-ploughs, not self-propelled (including snow-plough attachments)
		84·24	Agricultural and horticultural machinery for soil preparation or cultivation (for example, ploughs, harrows, cultivators, seed and fertiliser distributors); lawn and sports ground rollers
		84·25	Harvesting and threshing machinery; straw and fodder presses; hay or grass

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	mowers; winnowing and similar cleaning machines for seed, grain or leguminous vegetables and egg-grading and other grading machines for agricultural produce (other than those of a kind used in the bread grain milling industry falling within Heading No. 84·29)		mechanisms); parts and accessories suitable for use solely or principally with the machines of the present heading or with machines falling within Heading No. 84·36 or 84·37 (for example, spindles and spindle flyers, cards clothing, combs, extruding nipples, shuttles, healds and heald-lifters and hosiery needles)
84·26	Dairy machinery (including milking machines)	84·39	Machinery for the manufacture or finishing of felt in the piece or in shapes, including felt-hat making machines and hat-making blocks
84·27	Presses, crushers and other machinery of a kind used in wine-making, cider making, fruit juice preparation or the like	84·40	Machinery for washing, cleaning, drying, bleaching, dyeing, dressing, finishing or coating textile yarns, fabrics or made-up textile articles (including laundry and dry cleaning machinery); fabric folding, reeling or cutting machines; machines of a kind used in the manufacture of linoleum or other floor coverings for applying the paste to the base fabric or other support; machines of a type used for printing a repetitive design, repetitive words or overall colour on textiles, leather, wall-paper, wrapping paper, linoleum or other materials, and engraved or etched plates, blocks or rollers therefor.
84·28	Other agricultural, horticultural, poultry-keeping and bee-keeping machinery; germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders	84·41	Sewing machines; furniture specially designed for sewing machines; sewing machine needles
84·29	Machinery of a kind used in the bread grain milling industry, and other machinery (other than farm type machinery), for the working of cereals or dried leguminous vegetables	84·42	Machinery (other than sewing machines) for preparing, tanning or working hides, skins or leather (including boot and shoe machinery)
84·30	Machinery, not falling within any other Reading of this Chapter, of a kind used in the following food or drink industries; bakery, confectionery, chocolate manufacture, macaroni, ravioli or similar cereal food manufacture, the preparation of meat, fish, fruit or vegetables (including mincing or slicing machines) sugar manufacture or brewing	84·43	Convertors, ladles, ingot moulds and casting machines, of a kind used in metallurgy and in metal foundries
84·31	Machinery for making or finishing cellulosic pulp, paper or paper-board	84·44	Rolling mills and rolls therefor
84·32	Book-binding machinery, including back-sewing machines	84·45	Machine-tools for working metal or metal carbides, not being machines falling within Heading No. 84·49 or 84·50.
84·33	Paper or paperboard cutting machines of all kinds; other machinery for making up paper pulp, paper or paper-board	84·46	Machine-tools for working stone, ceramics, concrete, asbestos-cement and like mineral materials or for working glass in the cold, other than machines falling within Heading No. 84·49
84·34	Machinery, apparatus and accessories for, type-founding or type-setting; machinery, other than the machine tools of Heading No. 84·45/48, for preparing or working printing blocks, plates or cylinders; printing type, impressed flongs and matrices, printing blocks, plates and cylinders; blocks, plate cylinders and lithographic stones, prepared for printing purposes (for example planed, grained or polished)	84·47	Machine-tools for working wood, cork, bone, ebonite (vulcanite), hard artificial plastic materials or other hand-carving materials, other than machines falling within Heading No. 84·49
84·35	Other printing machinery; machinery for uses ancillary to printing	84·48	Accessories and parts suitable for use solely or principally with the machines falling within Headings Nos. 84·45 to 84·47, including work and tool holders, self-opening dieheads, dividing heads and other appliances for machine-tools; tool holders for any type of tool or machine-tool for working in the hand.
84·36	Machines for extruding man-made textiles; machines of a kind used for processing natural or man-made textile fibres; textile spinning and twisting machines; textile doubling, throwing and reeling (including weft-winding) machines	84·49	Tools for working in the hand, pneumatic or with self-contained non-electric motor
84·37	Weaving machines, knitting machines and machines for making plimped yarn, tulle, lace, embroidery, trimmings, braid or net; machines for preparing yarns for use on such machines, including warping and warp sizing machines	84·50	Gas-operated welding, brazing, cutting and surface tempering appliances
84·38	Auxiliary machinery for use with machines of Heading No. 84·37 (for example, dobbies, Jacquards, automatic stop motions and shuttle changing	84·51	Typewriters, other than typewriters incorporating calculating mechanisms; cheque-writing machines

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84-52	Calculating machines; accounting machines, cash registers, postage-franking machines, ticket-issuing machines and similar machines, incorporating a calculating device
84-53	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included
84-54	Other office machines (for example, hectograph or stencil duplicating machines, addressing machines, coin-sorting machines, coin-counting and wrapping machines, pencil-sharpening machines, perforating, and stapling machines)
84-55	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with machines of a kind falling within Heading No. 84-51, 84-52, 84-53 or 84-54.
84-56	Machinery for sorting, screening, separating, washing, crushing, grinding or mixing earth, stone, ores or other mineral substances, in solid (including powder and paste) form; machinery for agglomerating, moulding or shaping solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder and paste form; machines for forming foundry moulds of sand
84-57	Glass-working machines (other than machines for working glass in the cold); machines for assembling electric filament and discharge lamps and electronic and similar tubes and valves
84-58	Automatic vending machines (for example, stamp, cigarette, chocolate and food machines), not being games of skill or chance
84-59	Machines and mechanical appliances, having individual functions, not falling within any other Heading of this chapter
84-60	Moulding boxes for metal foundry; moulds of a type used for metal (other than ingot moulds), for metal carbides, for glass, for mineral materials (for example, ceramic pastes, concrete or cement) or for rubber or artificial plastic materials
84-61	Taps, cocks, valves and similar appliances, for pipes, boiler shells, tanks, vats and the like, including pressure reducing valves and thermostatically controlled valves
84-62	Ball, roller or needle roller bearings
84-63	Transmission shafts, cranks, bearing housings, plain shaft bearings, gears and gearing including friction gears and gear-boxes and other variable speed gears), flywheels, pulleys and pulley blocks, clutches and shaft couplings
84-64	Gaskets and similar joints, of metal sheeting combined with other material (for example, asbestos, felt and paper-board) or of laminated metal foil; sets or assortments of gaskets and similar joints, dissimilar in composition, for engines, pipes, tubes and the like, put up in pouches, envelopes or similar packings
84-65	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features and not falling within any other heading in this chapter

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CHAPTER 85	
Electrical machinery and equipment; parts thereof	
85-01	Electrical goods of the following descriptions: generators, motors, converters, (rotary or static), transformers, rectifiers and rectifying apparatus, inductors
85-02	Electro-magnets; permanent magnets and articles of special materials for permanent magnets, being blanks of such magnets; electromagnet and permanent magnet chucks, clamps, vices and similar work holders; electromagnetic clutches and couplings; electromagnetic brakes; electro-magnetic lifting heads
85-03	Primary cells and primary batteries
85-04	Electric accumulator
85-05	Tools for working in the hand, with self-contained electric motor
85-06/07	Electro-mechanical domestic appliances with self-contained electric motors; shavers and hair clippers, with self-contained electric motors
85-08	Electrical starting and ignition equipment for internal combustion engines (including ignition magnets, magneto-dynamos, ignition coils, starter motors, sparking plugs and glow plugs); generators (dynamos and alternators) and cutouts for use in conjunction with such engines
85-09	Electrical lighting and signalling equipment and electrical wind-screen wipers, defrosters and demisters, for cycles or motor vehicles
85-10	Portable electric battery and magneto lamps, other than lamps falling within Heading No. 85-09
85-11	Industrial and laboratory electric furnaces, ovens and induction and dielectric heating equipment; electric welding, brazing and soldering machines and apparatus and similar electric machines and apparatus for cutting
85-12	Electric instantaneous or storage water heaters and immersion heaters; electric soil heating apparatus and electric space heating apparatus; electric hair dressing appliances (for example, hair dryers, hair curlers, curling tong heaters) and electric smoothing irons; electro-thermic domestic appliances; electric heating resistors, other than those of carbon
85-13	Electrical line telephonic and telegraphic apparatus (including such apparatus for carrier-current line systems)
85-14	Microphones and stands therefor; loud-speakers; audio-frequency electric amplifiers
85-15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus (includ-

1	2
	ing receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, raddar apparatus and radio remote control apparatus
85·16	Electric traffic control equipment for railways, roads or inland waterways and equipment used for similar purposes in port installations or upon airfields
85·17	Electric sound or visual signalling apparatus (such as bells, sirens, indicator panels, burglar and fire alarms), other than those of Heading No. 85·09 or 85·16
85·18	Electrical capacitors, fixed or variable
85·19	Electrical apparatus for making and breaking electrical circuits, for the protection of electrical circuits, or for making connections to or in electrical circuits for example, switches, relays, fuses, lightning arresters, surge suppressors, plugs, lampholders and junction boxes; resistors, fixed or variable (including potentiometers), other than heating resistors; printed circuits; switchboards (other than telephone switchboards) and control panels.
85·20	Electric filament lamps and electric discharge lamps (including infrared and ultra-violet lamps); arc-lamps; electrically ignited photographic flashbulbs
85·21	Thermionic, cold cathode and photocathode valves and tubes (including vapour or gas filled valves and tubes, tubes, cathode-ray tubes, television camera tubes and mercury arc rectifying valves and tubes); photocells; mounted piezo-electric crystals; diodes, transistors and similar semi-conductor devices; electronic microcircuits
85·22	Electrical appliances and apparatus, having individual functions, not falling within any other Heading of this Chapter
85·23	Insulated (including enamelled or anodised) electric wire, cable, bars, strip and the like (including coaxial cable), whether or not fitted with connectors
85·24	Carbon brushes, arc-lamp carbons, battery carbons, carbon electrodes and other carbon articles of a kind used for electrical purposes
85·25	Insulators or any material
85·26	Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating material apart from any minor components of metal incorporated during moulding solely for purposes of assembly, but not including insulators falling within Heading No. 85·25
85·27	Electrical conduit tubing and joints therefore, of base metal lined with insulating material
85·28	Electrical parts of machinery and apparatus, not being goods falling within any of the preceding headings of this Chapter

SECTION XVIII

Vehicles, Aircraft, and Parts Thereof; Vessels and Certain Associated Transport Equipment

CHAPTER 86

Railway and tramway locomotives, rolling stock, and parts thereof railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered)

86·01/03	Rail locomotives and tenders.
86·04/07	Railway and tramway coaches, vans, wagons and trucks and other rolling stock.
86·08	Containers specially designed and equipped for carriage by one or more modes of transport.
86·09	Parts of railway and tramway locomotives and rolling-stock.
86·10	Railway and tramway track fixtures, and fittings; mechanical equipment, not electrically powered for signalling to or controlling road, rail or other vehicles, ships or aircraft; parts of the foregoing fixtures, fittings or equipment.

CHAPTER 87

Vehicles, other than railway or tramway rolling-stock, and parts thereof

87·01	Tractors (other than those falling within Heading No. 87·07), whether or not fitted with power take offs, winches or pulleys.
87·02	Motor vehicles for the transport of persons, goods or materials (including sports motor vehicles, other than those of Heading No. 87·09/12)
87·03	Special purpose motor lorries and vans (such as breakdown lorries, fire-engines, fire-escapes, road sweeper lorries, snow ploughs, spraying lorries, crane lorries, search-light lorries, mobile workshops and mobile radiological units), but not including the motor vehicles of Heading No. 87·02.
87·04/06	Chassis fitted with engines, bodies (including cabs) and parts and accessories of the motor vehicles falling within Heading No. 87·01/87·02 or 87·03.
87·07	Works trucks, mechanically propelled, or the types used in factories, warehouses, dock areas or airports for short distance transport or handling of goods (for example platform trucks, fork-lift trucks and straddle carriers); tractors of the types used on railway station platforms; parts of the foregoing vehicles.
87·08	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles.
87·09	Motor-cycles (including scooters auto-cycles and cycles fitted with an auxiliary motor, with or without side-cars; side-cars of all kinds.

1	2
87-10	Cycles (including delivery tricycles), not motorised
87-11	Invalid carriages, fitted with means of mechanical propulsion (motorised or not).
87-12	Parts and accessories of articles falling within Heading No. 87-09, 87-10 or 87-11.
87-13/14	Other vehicles (including trailers, baby carriages and invalid carriages), not mechanically propelled, and parts thereof.

CHAPTER 88

craft and parts thereof; parachutes; catapults and similar aircraft launching gear; ground flying trainers

88-01/03	Aircraft and parts thereof.
88-04/05	Parachutes and parts thereof and accessories thereto; catapults and similar aircraft launching gear; ground flying trainers; parts of any of the foregoing articles.

CHAPTER 89

Ships, boats and floating structures

89-01/03	Ships, boats, vessels specially designed for towing (tugs) or pushing other vessels, and other vessels not elsewhere specified; light-vessels, fire floats, dredgers, floating cranes and other special purpose vessels; floating docks.
89-04	Ships, boats and other vessels for braving up.
89-05	Floating structures other than vessels (for example, coffer-dams, landing stages, buoys and beacons).

SECTION XVIII

Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical and Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments, Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, Magnetic; Parts Thereof.

CHAPTER 90

Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; parts thereof

90-01	Lenses, prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked; sheets or plates or polarising material.
90-02	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked.
90-03/04	Spectacles, pince-nez, lorgnettes, goggles and the like, corrective, protective or other; frames and mountings of the above articles, and parts thereof.

1	2
90-05/06	Refracting telescope (monocular and binocular) prismatic or not; astronomical instruments (for example, reflecting telescopes, transit instruments and equatorial telescopes) and mountings thereof but not including instruments for radio-astronomy.
90-07	Photographic cameras; photographic flash-light apparatus.
90-08	Cinematographic cameras, projectors, sound recorders and sound reproducers; any combination of these articles.
90-09	Image projectors (other than cinematographic projectors); photographic (except cinematographic) enlargers and reducers.
90-10	Apparatus and equipment of a kind used in photographic or cinematographic laboratories, not falling within any other Heading in this Chapter; photo-copying apparatus (whether incorporating an optical system or of the contact-type) and thermocopying apparatus; screens for projectors.
90-11/12	Microscopes and diffraction apparatus, electron and proton; compound optical microscopes, whether or not provided with means for photographing or projecting the image.
90-13	Optical appliances and instruments, (but not including lighting appliances other than searchlights and spotlights) not falling within any other Heading of this Chapter.
90-14	Surveying (including photogrammetrical surveying), hydrographic, navigational, meteorological, hydrological and geophysical instruments; compasses; range-finders.
90-15	Balances of sensitivity of 5 centigrams or better, with or without their weights.
90-16	Drawing, marking-out and mathematical calculating instruments, drafting machines, pantographs, slide rules, disc calculators and the like; measuring or checking instruments, appliances and machines, not falling within any other Heading of this Chapter (for example, micrometers, callipers, gauges, measuring rods, balancing machines); profile projectors.
90-17/18	Medical, dental, surgical and veterinary instruments and appliances (including electromedical apparatus and ophthalmic instruments); mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; artificial respiration, ozone therapy, oxygen therapy, aerosol therapy or similar apparatus; breathing appliances (including gas masks and similar respirators).
90-19	Orthopaedic appliances, surgical belts, trusses and the like; splints and other fracture appliances artificial limbs, eyes, teeth and other artificial parts of the body; hearing aids (deaf-aids) and other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability.
90-20	Apparatus based on the use of X-rays or on the radiations from radio-active substances

1	2
CHAPTER 98	
Miscellaneous manufactured articles	
98-01/02	Buttons and button moulds, studs, cuff-links and press fasteners ; slide fasteners ; blanks and parts of such articles.
98-03/09	Pens and pencils, all sorts, and parts thereof ; crayons, chalks and similar writing or drawing materials ; slates and boards ; date, sealing or numbering stamps, and the like (including devices for printing of or embossing labels) ; composing sticks and printing sets incorporating such composing sticks, all hand-operated ; typewriter and similar ribbons and ink pads ; sealing wax ; copying pastes with a basis of gelatin.
98-10/11	Mechanical lighters and similar lighters, including chemical and electrical lighters and parts thereof, excluding flints and wicks ; smoking pipes, cigar and cigarette holders and parts thereof.
98-12/14	Combs, hair-slides and the like ; corset busks and similar supports for articles of apparel or clothing accessories ; scent and similar sprays of a kind used for toilet purposes, and mounts and heads therefor.

1	2
98-15	Vacuum flasks and other vacuum vessels ; parts thereof, other than glass inners.
98-16	Tailors' dummies and other lay figures ; animated displays of a kind used for shop window dressing.
SECTION XXI	
<i>Works of Art, Collectors' Pieces, and Antiques</i>	
CHAPTER 99	
Works of art, collectors' pieces, and antiques	
99-01/03	Paintings, drawings and pastels, executed entirely by hand ; original engravings, prints and lithographs ; original sculptures and statuary.
99-04/05	Postage, revenue and similar stamps (including stamp-postmarks and franked envelopes, letter cards and the like), used, or if unused not of current or new issue in India ; collections and collector's pieces of zoological, botanical, mineralogical, anatomical, historical, archæological, paleontological, ethnographic or numismatic interest.
99-06	Antiques of an age exceeding one hundred years.

SCHEDULE II

(see Clause 3)

OFFICERS COMPETENT TO GRANT IMPORT LICENCES

1	2	1	2		
1	The Chief Controller of Imports and Exports	For any goods.	7	An Assistant Iron and Steel Controller,	and Steel and Ferro
2	A joint Chief Controller of Imports and Exports.	Covered by Schedule I.	8	A Deputy Assistant Iron and Steel Controller.	Alloys
3	A Deputy Chief Controller of Imports and Exports		9	Controller of Imports and Exports, New Kandla, (in so far as Kandla Free Trade Zone is concerned).	
4	A Controller of Imports and Exports.		10	Deputy Development Commissioner (Imports and Exports) Santa Cruz Bombay, (in so far as Santacruz Export Processing Zone is concerned.)	
5	Any Officer authorised by the Central Government for any goods described in Schedule I.		11	Assistant Development Commissioner (Imports and Exports, (Santa Cruz, Bombay (In so far as) Santa Cruz Electronics Export Processing Zone, Bombay, is concerned.)	
6	A Deputy Iron and Steel Controller.	For Iron			

SCHEDULE III

(See Clause 4)

APPLICATION FEES

The following fees shall be leviable in respect of the application for an import licence.

Serial No.	Particulars	Amount of Fee
(1)	(2)	(3)
1	Where the value of goods specified in application does not exceed Rs. 50,000/-	Rs. 50.
2	Where the value of the goods specified in the application exceeds Rs. 50,000/-	Rupees one for every one thousand or part thereof subject to a maximum of Rs. 10,000/-

Provided that—

(1) The amount of fees payable shall be Rs. 50 irrespective of the value of goods specified in the application, in respect of an application for import licence—

- (i) by a small scale actual user for the import of raw materials, components and spares; or
- (ii) by an actual user in respect of any unit in the Kandla Free Trade Zone; or
- (iii) by a registered exporter, under the import policy for registered exporters; or
- (iv) by units located in Santa Cruz Electronics Export Processing Zone, Bombay; and

(2) The amount of fees payable shall be Rs. 5/- irrespective of the value of the goods specified in the application, in respect of—

- (i) application for the grant of subsidiary licence, or
- (ii) application for the grant of duplicate licence, or
- (iii) application for the grant of split-up licence ;
- (iv) application for obtaining duplicate copy of Income-tax Verification Certificate Registration/Exemption Number.

(3) the amount of fees payable shall be Rs. 10/- irrespective of the value of the goods specified in the application in respect of—

- (i) appeal to the C.C.I. & E. against any decision by a licensing authority on an application of review.
- (ii) review application to the C.C.I. & E. against a decision on an appeal.
- (iii) application for transfer of R.E.P. licence made by an eligible Export House under the import-policy for Registered Exporters.

(4) The amount of fees payable shall be Rs. 50/- in respect of an application for revalidation for extension

of the period of shipment of an import licence, irrespective of the value of the licence.

Provided further that no fees shall be payable in respect of,—

(aa) any application for an import licence for any goods (other than a vehicle and fire arm) if the import of the goods is required by an individual for his own personal use not connected with trade or manufacture; or

(bb) any application for an import licence from a newspaper establishment for newsprint for a value covering a quantity of not more than 40 tons.

For the purpose of collection of fees the following instructions are for general information

(i) Fee should be deposited, in cash at an Government Treasury or Office of the State Bank of India or the Reserve Bank of India, transacting the business of the Central Government, for credit to the Central Government under a separate head "Import Licence Application Fees" subordinate to the major head (104-Other General Economics Services. The treasury or bank receipt must show the name of the Department viz., Import and Export Trade Control Organization", and particulars of the application for the grant of import licence, namely, description of goods for which the licence is applied for with their value, and the licensing period, in the column; full particulars in the Challan form T.R. 6 and must be attached to the application before submitting the same to the proper authority. The application also must contain details of the treasury receipt under which the requisite fee has been deposited.

(ii) No application will be entertained which is not accompanied by such proof of payment of the fee prescribed under this order.

Note—Applications for refund of Import licence application fees will be dealt with in Port Offices, within whose jurisdiction the fee was paid. The territorial jurisdiction of the various offices in the import organisation has been set out in the Import Trade Control Hand Book of Rules and Procedure 1976-77. Claims admitted for refund will be prepared in Form T.R. 41 with necessary authorisation by the respective Port Officers and sent to the firm concerned to be presented after being duly signed, at the Bank/Treasury where the fee had been originally paid in.

SCHEDULE IV

(See Clause 12)

1. Notification No. 23 ITC/43, dated the 1st July, 1943, issued by the late Department of Commerce, as amended.

2. Notification No. 2-ITC/48 dated 6th March, 1948 issued by the late Ministry of Commerce.

3. Notification No. 4-ITC/48, dated 1st May, 1948, issued by the late Ministry of Commerce.

4. Notification No. 51-ITC/50, dated 15th November, 1950 issued by the late Ministry of Commerce.

5. Order No. 5/55, dated 30th June, 1955 issued by the Ministry of Commerce and Industry.

the Central Government hereby constitutes the following authorities for the purpose of hearing appeals against the action taken under clause 8, 8A of the said Order, namely—

(i) where the action is taken by a Joint Chief Controller of Imports and Exports or by a Deputy Chief Controller of Imports and Exports, the Chief Controller of Imports and Exports, New Delhi

(ii) where the action is taken by an authority other than any authority referred to in item (i), a committee consisting of the Secretary, and two Joint Secretaries and the Chief Vigilance Officer, in the Ministry of Commerce, New Delhi.

A. C. BANERJEE

Joint Secy.

MINISTRY OF COMMERCE

IMPORT TRADE CONTROL

ORDER No. 10/65

New Delhi, the 1st December 1965

In exercise of the powers conferred by Section 6 of the Imports and Exports (Control) Act 1947 (18 of 1947) and in supersession of the late Ministry of Commerce and Industry Order No. 11/60 dated the 1st August, 1960 the Central Government hereby authorises the Joint Chief Controllers of Imports and Exports, the Deputy Chief Controllers of Imports and Exports, the Customs Collectors and the Officers of Customs under the Customs Act, 1962 (52 of 1962), the Iron and Steel Controller, the Deputy Iron and Steel Controller and the Superintendents of Police in the Economic Offences Wing of the Central Bureau of Investigation, to make complaints in writing in Courts in respect of any offence, punishable under Section 5 of the said Act.

P. SABANAYAGAM

Chief Controller of Imports & Exports

Government of India

MINISTRY OF COMMERCE

IMPORT TRADE CONTROL

NOTIFICATION (AS AMENDED)

New Delhi, the 10th November, 1966

No. 12/66.—In exercise of the powers conferred by sub-clause (2) of clause 10 of the Imports (Control) Order, 1955,

SCHEDULE V

(Clause 11(2) (h))

Description of life saving equipment

Endotracheal tubes; Sengstaken Tubes; Safety Shunt; Plastic Tracheostomy Tube; Cardiac Catheters; Cardio-Vascular Sutures; Fogarty's Catheters for Embolectomy; Respirators with accessories as (a) Nebulisers, (b) Wrights Respirometer, Haemodialysis machines, kill's dialysers and spare parts of both; Accessories for dialysis equipment including dialysing Membranes Coils and hollow fibre units; Arterial and venous lines; Shunts, teflon tips, butterfly and fistula needles; Blood ports; Infusion and blood pumps; and Catheters for arterial and venous Cannulations; Oxygenators with accessories as :—(a) Filters, (b) Arterial, venous tubing, (c) Coronary Canulae, (d) Silastic tubes for microsurgery; Implantable cardiac Pace makers with accessories; Portable intermittent positive pressure breathing apparatus with accessories; Hydrocephalus shunts; Vascular grafts; Heart Valve prosthesis; Heart Lungs machine with accessories; Small portable pumps for giving low infusion of anti-cancer drugs; Silver clips applying forceps and clips for use in Neurosurgery; for long term use intra-arterial and intravenous canulae sterile & Disposable; Instruments and implants for replacement of Hip, Knee and other joints for severely crippled and handicapped.

APPENDIX 3

Para 8 (2) of Chapter II

APPLICATION FORMS

FORM (A)

APPLICATION FORM FOR ESTABLISHED IMPORTERS

1. Name of applicant . . .
Full Postal Address—

- (i) House/Shop No. . .
(ii) Name of street/road . .
(iii) Name of locality . . .
(iv) Name of State . . .
(v) Telegraphic Address . .

2. Registration No. allotted to Income-tax Verification Certificate or Exemption therefrom :—

- (i) I. V. C. Registration/Exemption number valid for the licensing period to which the application pertains . . .

- (ii) Previous I.V.C. Regn./Exemption number . .

3. Number and date of treasury receipt showing payment of the requisite fees under the late Commerce and Industry Ministry's Order No. 17/55 dated the 7th December, 1955 as amended from time to time (Treasury receipt to be attached) . . .

4. Licensing Period in respect of which application is made

5. Particulars of goods to be furnished as shown below :—

- (i) Description : Full details should be given here or appended to application. (It is not sufficient to say chemicals, drugs and medicines, hardware, etc., list of sepacific chemicals, drugs and medicines etc desired to be imported should be given). In case of component or spare parts of machinery type - writers, sewing machines, radio, etc., names of parts desired to be imported should be specified.

- (ii) Quantity : Net weight, number or any other unit as the case may be .

- (iii) Classification under I.T. C. schedule, Part & S. No. This should particularly be completed (position being verified in cases of doubt after reference to the I.T.C. licensing authority concerned.)

- (iv) Indian Customs tariff No.

- (v) Value c.i.f. in rupees . .

- (vi) Country of shipment . .

6. Where shipment is to be effected from a country different from the country in which the goods originated, full statement of reasons for the same should be given

7. If licence is claimed on the basis of licence issued in the preceding period and/or quota certificate, give particulars of licence or quota certificate as below:—

- (1) Licence/quota certificate No. and date

- (2) Description of goods . .

- (3) Country(s)

- (4) c.i.f. value of licence/value in basic year imports in quota certificate . . .

- (5) In case the quota certificates were issued after 1-4-1961 whether the original imports against which quota certificate is issued were made for use in the Applicant's own factory/establishment or for stock and sale . . .

General information to be furnished:—

- (a) Date of establishment of business in India . . .

- (b) Nature of the concern whether public or Private Ltd. or Partnership or proprietary or Hindu Undivided Family concern

- (c) Names of Directors, Partners, Proprietor, Karta as the case may be . . .

- (d) Nature of main business of the applicant (line or lines) in which the applicant is engaged in business to be indicated by "major" heads e.g. an applicant engaged in the manufacture of, dealing in, cycles, radios, etc., should indicate cycles, radios etc. Clear indication as to whether the

APPENDIX 3—Contd.

applicant is a manufacturer, wholesaler, retailer sole agent, indentor or Commission Agent, be given or any other category should be given.

- (e) Details of branches or associated companies (names and locations)—
 (i) In India
 (ii) Abroad
- (f) Has any application already been made by the applicant for goods falling under the same serial number or sub-item of serial number for the same period from any country?
 If so give details
- (g) Have any branches or associated companies mentioned in (e) or any of the gentlemen named in (c) applied for an import licence for import of goods falling under the same serial number or sub item of serial number for the same period? If so give details and an affidavit in the form prescribed in Appendix 8 to this book if the Head Office has submitted one consolidated application for one item, please make a declaration that the branches have not and will not make application for the same item during the same period to any other licensing authority
- (h) Whether the constitution or ownership or name of the firm has undergone any change or whether the firm has succeeded to any import quota right of any other firm as a result of division of quota right of the latter. If so mention such changes as have occurred since the inception of business or 1st April 1951, whichever is later, (the information furnished should indicate the date of change and nature of changes)
- (i) The custom House where the import licence, if granted, will be registered.

Full details of the enclosures attached with the application (every copy of the documents should be marked as a true copy and signed beneath by the applicant)

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation, in addition

to any other penalty that the Government may impose having regard to the circumstances of the case, if it is found that any statements of facts therein are incorrect or false.

Certified that we with Head Office at and branches at have for purpose of import of from selected as the common basis year and the quota certificate on which the licence is claimed, is based on the previous import in this common basic year.

Certified that we possess/do not possess two quota certificates for Serial No./Sub-Serial No. (to be specified) and declare that we have submitted no other application for obtaining quota licence.

Signature
 Name in block letters
 Designation
 Residential address

Date

(1) Applicants are advised to read the licensing instructions for the current period carefully before filling up the application form for the import licence.

(2) Information required against the various items in the forms should be given legibly and completed in all details to avoid correspondence and delay in the disposal of applications. The licensing authorities have discretion to reject an application if the same is not complete in all respects.

(3) A separate application should be made for each article under each Part and Serial No. of I.T.C. Schedule and not one application for two or more items falling under different Parts and Serial Numbers of the schedule.

(4) Where an application is made for a licence for goods required against an order from the Director General of Supplies and Disposals or from Government Railways, the words 'ESTABLISHED IMPORTERS' at the head of the form should be replaced by the words D. G. Supplies and Disposals 'CONTRACTS' or "RAILWAYS CONTRACTS" (as the case may be).

(5) Documentary evidence as asked for should be sent along with the application.

(6) Any special reason in support of the application may, if necessary, be explained in a covering letter attached to the application.

(7) Application should be signed by the Proprietor, partner or Managing Director of the firm or by any person duly authorised to sign such application on behalf of the firm. The position held by the person signing the application should be clearly stated.

(8) Any applicant supplying false or incorrect information may be liable to have his licence cancelled and in addition may be debarred from the grant of any import licence in future.

FORM (B)

FORM OF APPLICATION FOR IMPORT OF GOODS (OTHER THAN THOSE FALLING UNDER THE C. G. LICENSING PROCEDURE) BY ACTUAL USERS WHO ARE NOT BORNE ON THE BOOKS OF THE DIRECTORATE GENERAL OF TECHNICAL DEVELOPMENT

PART I

(To be filled in by the applicant for use in the licensing Office)

A. Particulars of Applicant

1. Name of the applicant
2. Full Postal address :—
 - (i) House/Shop No.
 - (ii) Name of street/road

APPENDIX 3—Contd.

- (iii) Name of locality and city
 (iv) Name of State . . .
 3. Telegraphic address . . .
 4. Address of location of factory

B. Particulars of applications—

1. Registration No. allotted to Income-Tax Verification Certificate or Exemption therefrom—
 (i) I.V.C. Registration/Exemption number valid for the licensing period to which the application pertains . . .
 (ii) Previous I. V. C. Registration Exemption number . . .
 2. Treasury receipt No. and date (Treasury receipt to the attached in original) . . .
 3. Licensing period in respect of which application is made . . .
 4. Where shipment is to be effected from a country different from the country in which the goods originated, full statement of reasons for the same should be given . . .
 5. Is a letter of authority desired? If so, name of the firm in whose favour it is desired.

C. General Information to be furnished

1. Date of establishment of business in India . . .
 2. Nature of the concern, whether Public Company or Private Company, Partnership or Hindu undivided family concern . . .
 3. Names of Directors, Partners, Proprietor or Karta as the case may be . . .
 4. Details of branches or associated companies (name and location) . . .
 (i) In India . . .
 (ii) Abroad . . .
 5. Has any application been already made by the applicant for the goods covered by this application or for any other goods or for the same period in any category? If so, give details . . .
 6. Have any branches or associated companies mentioned in (4) or any of the gentlemen named in (3) applied for an import licence for import of the goods covered by this application or any other goods for the same period, if so give details . . .

7. Is any branch/associate concern of applicant holding an established importer quota for particular item/items covered by this application? If so, details of quota certificates /established Importers licences may be given. . .

8. The Customs House where the import licence, if granted, will be registered . . .
 9. Full details of the enclosures attached with the application (every copy of the document should be marked as a true copy and signed beneath by the applicant) . . .

PART II

(To be filled in by the applicant for use by the sponsoring authority and the licensing authority).

1. (i) Name of the industry and the purpose for which the raw materials/components are required . . .
 (ii) Whether engaged in select industry or an industry other than select . . .
 (iii) If engaged in a Select industry, indicate the S. No. of the industry as given in the list of select industries . . .
 2. Description of goods manufactured . . .
 3. Production Capacity . . .
 4. Actual production in the preceding two years . . .
 5. Estimated production in ensuing year . . .
 6. Capital investment . . .
 (i) Machinery and equipment (details of machinery to be attached) . . .
 (ii) Land and buildings or rent of premises . . .
 7. Registration No. allotted by State Director of Industries . . .
 8. Particulars of raw materials/components and spare parts to be imported :— . . .

I.T.C. S. No.	Items	Quantity/Number	Value (c.i.f.)
	Items, the import of which is not canalised through Public Sector Agencies.		
	Items, the import of which is canalised through Public Sector Agencies		

Note—The applicant should ensure that in respect of canalised items, the value item-wise is invariably indicated.

9. Particulars of Licences/ release orders issued and import effected/allocated

APPENDIX 3—Contd.

through STC/MMTC during the last three periods:—

Licensing period	No. and date and value of licence/ release order	Value (c.i.f.) of goods imported/allocated through STC/MMTC	Description of goods
10.	Actual sales of the manufactured products during the preceding year		
11.	Value of exports, if any, of the manufactured products during the preceding year		
12.	Stocks of raw materials/ components/spares applied for, on the date of the 1st April:—		
	(i) Imported		
	(ii) Alternate sources		
13.	Expected arrivals of the goods applied for on the date of the commencement of the period against licences in hand		
14.	Period for which stock and expected arrivals are to last		
15.	Consumption of the imported material applied for during the 12 months:—		

Item	Quantity/Number	Value
------	-----------------	-------

(1) I/We hereby declare that if this licence is granted the goods will be utilised only for consumption as raw materials/ components or accessories in our factory and that no portion thereof will be sold to or permitted to be used by another party.

(2) I/We hereby declare, that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken, having regard to the circumstances of the case if it is found that any of the statements of facts therein are incorrect or false.

Signature
Name in Block Letters

Designation
Residential Address

Date

11—G-1CC of I&E/76

PART III

(To be filled in by the sponsoring authority in duplicate)

1. Particulars of goods recommended :

Item & ITC Serial No.	Requirements in quantity/ No. as per installed capacity	Requirements in value (c.i.f.) as per installed capacity	Quantity/ Number recommended for import	Value (c.i.f.) recommended for import	End use
(1)	(2)	(3)	(4)	(5)	(6)

NOTE:—In the case of items the import of which is canalised through Public Sector Agencies, the value itemwise should be indicated.

2. (a) Whether the applicant is a new or existing unit
- (b) If New unit, whether the Industry is included in the list of banned industries
3. (a) Whether the items recommended are licensable in consultation with D. G. T. D./D. C. (S.S.I.) or any other technical authority
- (b) If so, whether the clearance from the concerned technical authority has been obtained (The No. and date of the reference of the technical authority may be given)
- *4. In the case of items available indigenously whether the applicant has produced evidence to show that indigenous manufacturer(s) are unable to supply
5. In the case of items which are being imported by STC whether the STC have expressed their inability to supply the material (The No. and date of their letter may be quoted)

Signature of sponsoring authority

NOTE:—The sponsoring Authority should ensure that indigenous clearance from the D.C. (S.S.I.) has been obtained before recommending the application. While obtaining indigenous clearance, full description of the machinery and the leaflets or other literature, wherever necessary, should be sent to the D.C. (S.S.I.) New Delhi.

*This column should be filled in only wherever necessary in items of the import policy in force.

NOTES

- (1) Applicants are advised to read the licensing instructions for the current period carefully before filling up the Application form for import Licence.
- (2) Information required against the various items in the form should be given legibly and completed in all details to avoid correspondence and delay in the disposal of applications. The licensing authority have discretion to reject application if the application is not completed in all respects.

APPENDIX 3—Contd.

REGIONAL AREAS FOR PURPOSES OF ACTUAL
USERS' LICENCES

AREA 'A'

(Applications to be made to the Joint Chief Controller of Imports and Exports Calcutta). State where factory is located.

Bihar,
Orissa,
Sikkim,
West Bengal,
Tripura,
Andaman and Nicobar Islands.

AREA 'B'

(Application to be made to the Joint Chief Controller of Imports and Exports Bombay). State where factory is located.

Maharashtra,
Madhya Pradesh.

AREA 'C'

(Applications to be made to the Joint Chief Controller of Imports and Exports, Madras). State where factory is located.

Tamil Nadu,

AREA 'D'

(Applications to be made to the Deputy Chief Controller of Imports and Exports, Ernakulam). State where factory is located.

Kerala State, union territory of Lakshadweep.

AREA 'E'

(Applications to be made to the Joint Chief Controller of Imports and Exports, Central Licensing Area, New Delhi)—

Delhi,
Himachal Pradesh,
Punjab,
Rajasthan,
Haryana,
Chandigarh.

AREA 'F'

(Applications to be made to the Controller of Imports and Exports Rajkot)—Those, districts of Gujarat State which were formerly known as Saurashtra, excluding Kutch

AREA 'G'

(Applications to be made to the Controller of Imports and Exports, New Kandla)—Kutch of Gujarat State and New Kandla including Kandla Free Trade Zone.

AREA 'H'

(Applications to be made to the Controller of Imports and Exports, Visakhapatnam Andhra Pradesh districts of Godawari East and West, Vishakhapatnam and Srikakulam.)

AREA 'I'

(Applications to be made to the Controller of Imports and Exports, Pondicherry)—Former French Establishments in India.

AREA 'J'

(Applications to be made to the Controller of Imports and Exports, Shillong)—

Assam.
Arunachal Pradesh,
Manipur,
Meghalaya,
Mizoram,
Nagaland,

AREA 'K'

(Applications to be made to the Deputy Chief Controller of Imports and Exports, Bangalore)—
Karnataka.

AREA 'L'

(Applications to be made to the Deputy Chief Controller of Imports and Exports, Panjim, Goa)—
Goa, Daman and Diu, Dadra and Nagar Haveli.

AREA 'M'

(Applications to be made to the Controller of Imports and Exports, Srinagar)—Jammu and Kashmir.

AREA 'N'

(Applications to be made to the Deputy Chief Controller of Imports and Exports, Kanpur)—
Uttar Pradesh.

AREA 'O'

(Applications to be made to the Deputy Chief Controller of Imports and Exports Hyderabad)—

Andhra Pradesh, excluding the districts of Godavari East and West, Visakhapatnam and Srikakulam.

AREA 'P'

(Applications to be made to the deputy Chief Controller of Imports and Exports Ahmedabad).

Gujarat State excluding Kutch and those districts of Gujarat State which were formerly known as Saurashtra.

FORM B-I

FORM OF APPLICATION FOR IMPORT OF RAW MATERIALS AND COMPONENTS UNDER THE AUTOMATIC-CUM-SUPPLEMENTARY LICENSING SCHEME BY SMALL SCALE UNITS.

PART-I

(Licensing period April 1976—March 1977)

1. Name of applicant.
2. Full postal address:
 - (i) House/Shop No.
 - (ii) Name of Street/road.
 - (iii) Name of locality and city
 - (iv) Name of State.
3. Address and location of factory
4. Description of goods manufactured.
5. If 'select' industry, furnish S. No. of the industry in the select list as in Appendix I of Red Book (Vol. I).
6. Date of establishment of business in India.
7. Nature of the concern, whether public company or Private Company, Partnership or Hindu Undivided family concern.
8. Names of Directors, Partners, Proprietors or Karta as the case may be.

APPENDIX 3—Contd.

9. Details of branches or associated companies (name and location).
- (i) In India.
- (ii) Abroad.
10. Registration No. allotted to Income-tax verification certificate or exemption therefrom. Also attach attested or photostat copy of IVC Regn./Exemption Number. (If no current IVC number is held, the previous IVC number may be given).
11. Treasury receipt No. and date (Treasury receipt to be attached in original).
12. Registration No. allotted by State Director of industries.

PART-II

13. Particulars of raw materials/components to be imported:

I.T.C. items S.No.	Quantity/Number	Value (c.i.f.)
(a) Items, the import of which is not canalised through Public Sector Agencies.		
(b) Items, the import of which is canalised through Public Sector Agencies.		

NOTE: The applicant should ensure that in respect of canalised items, the value item-wise is invariably indicated.

14. Particulars of A.U. & E.P. licences/release orders issued during 1974-75 or 1975-76, as the case may be. (Please furnish these particulars in the attached proforma duly certified by Chartered Accountant or sponsoring authority).
15. Consumption of the imported raw materials and components during 1975-76. [Please furnish in the proforma given in Appendix 2 of the Red Book (Vol. I) for April 1976-March 1977, duly certified by Chartered Accountant or sponsoring authority or Cost Accountant (in practice)].
16. Capital investment on machinery and equipment.
17. Has assessment of capacity been approved by CCI&E? If so, indicate No. and date of the CCI&E's letter together with value assessed and approved.
18. Whether it is an exporting unit having exported 20% or more of its production during financial year 1975-76 or calendar year 1975? If so, indicate letter No. & date of the CCI&E accepting the export performance.

19. Is a letter of authority desired? (If so, name of the firm in whose favour it is desired).
20. The customs house where the import licence, if granted, will be registered.
21. Full details of enclosure attached.
1. T.R.
 2. C.A. certificate of consumption of raw material and components.
 3. C.A. certificate of licences/R.Os issued for 1974-75/1975-76.
 4. Check-sheet.

- (1) I/We hereby declare that if this licence is granted the goods will be utilised only for consumption as raw materials/components or accessories in our factory and that no portion thereof will be sold to or permitted to be used by any other party.
- (2) I/We hereby declare that no other application for Automatic licence has been made for the goods covered by this application.
- (3) I/We hereby declare that the Registration Number quoted against item No. 14 of this application is valid and has not been cancelled and/or withdrawn or otherwise made operative.
- (4) I/We hereby declare that the above statements true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken, having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Signature.....

Name in Block.....

Letters.....

Designation.....

Residential.....

Date:.....

Address.....

(Proforma Col. 14)

STATEMENT SHOWING PARTICULARS OF ACTUAL USER LICENCES/RELEASE ORDERS AND EP LICENCES/RELEASE ORDER OBTAINED DURING THE LICENSING PERIOD.....BY M/S

1. Actual user licences/release orders obtained for the period

1974-75				1975-76			
Licence		Release Order		Licence		Release Order	
No. & date of I.L.	c.i.f. value of I.L.	No. & date of R.O.	c.i.f. value of R.O.	No. & date of IL	c.i.f. value of IL	No. & date of R.O.	c.i.f. value of R.O.
1	2	3	4	5	6	7	8

NOTE: In the case of small scale units, they should also indicate clearly the c.i.f. value availed under the facility of "repeat operation" as per the policy for the first half of the period 1975-76.

APPENDIX 3—Contd.

2. PARTICULARS OF LICENCES/RELEASE ORDERS OBTAINED BY THE UNITS AGAINST THEIR OWN EXPORTS:

1974-75				1975-76			
Licence		Release Order		Licence		Release Order	
No. & date of I.L.	c.i.f. value of I.L.	No. & date of R.O.	c.i.f. value of R.O.	No. & date of I.L.	c.i.f. value of I.L.	No. & date of R.O.	c.i.f. value of R.O.
1	2	3	4	5	6	7	8

NOTE:—In respect of an EP licence which had been obtained under the facility of "repeat operation" as per the policy applicable during the period 1975-76, only such EP licence which have been issued against adjustment of EP licences/release orders against the facility of "repeat operation" should be indicated.

I/We hereby declare that the information given in this statement is correct. I/We fully understand that any licence/release order issued on the basis of this information will be liable for cancellation, without prejudice to any other action that may be taken in this behalf, if it is found that any part of the information furnished is incorrect, false or misleading.

Signature of applicant.....

Date..... Full address.....

I/We hereby certify that the information in the statement is correct and complete. I/We have verified this from the following records :

- (1)
- (2)
- (3)
- (4)

I/We also certify that the applicant unit has been maintaining proper account of consumption in the prescribed form as indicated in Appendix 19 to the Import Trade Control Handbook of Rules and Procedure 1976-77.

.....
Signature and Seal of Chartered Accountant/Cost Accountant (in practice) or Sponsoring authority in the case of small scale units.

Date..... Full address

FORM C

Licensing Period.....
Code No.....

FORM OF APPLICATION FOR IMPORT OF RAW-MATERIALS, COMPONENTS AND SPARE PARTS FOR CERTAIN SPECIFIED INDUSTRIES AS WELL AS OTHER INDUSTRIAL UNITS BORNE ON THE LIST OF THE DIRECTORATE GENERAL OF TECHNICAL DEVELOPMENT.

(This application should be submitted to the Chief Controller of Imports and Exports through the Directorate General of Technical Development. Three copies should be submitted of which one will be retained by the Director General of Technical Development, one copy will be sent by the D.G.T.D. to the Economic Adviser, Ministry of Industrial Development and the third passed on to the Chief Controller of Imports and Exports).

Application for a licence for import of goods (other than those falling under Capital Goods Licensing Procedure) vide Government of India, late Ministry of Commerce and Industry Order No. 17/55, dated 7th December, 1955 as amended.

A. Particulars of applicant

1 Name of the applicant

2. Full Postal Address :—

(i) House/Shop No.

(ii) Name of Street/Road.

(iii) Name of Locality

(iv) Name of State.

3. Telegraphic address

4. Address of location of factory

B. Particulars regarding Industrial Unit.

1. (a) Name of the Industry.

(b) Name of Product and the exact purpose for which the raw-material is required (Preferably the function served by the raw-material in the manufacture of the product should be explained.)

2. Description of goods manufactured.

3. Production capacity separately for each store for which different raw materials are desired to be imported.

4. (i) Actual Production in the last calendar year.

NOTE : If there was stoppage of production for any period indicate the duration of the period and the reasons.

(ii) In the case of the undertaking utilizing non-ferrous metals as raw-material indicate position of the actual production mentioned against (i) above, if any, achieved through assistance of raw-materials foreign exchange received from sources other than D.G.T.D. . . .

5. Estimated production in the next calendar year . . .

6. In the case of the industrial undertakings intending to go into production for the first time or in the case of an existing industrial undertaking intending to go into substantial expansion of the production of existing articles of manufacture, indicate, . . .

(i) Value of

(a) Imported machinery required . . .

(b) Indigenous plant & machinery required.

APPENDIX 3—Contd.

- (ii) Value of letter of credit if any opened for the import of plant and machinery and the date thereof
 - (iii) Value of orders placed if any for purchase of indigenous Plant and machinery
 - (iv) Expected date of commencement of production of an existing article of manufacture
7. Factory No. allotted by the Directorate General of Technical Development

C. Particulars of Application

- 1. Registration No. allotted to Income tax Verification Certificate or exemption therefrom :— Also attach attested or photostat copy of the IVC Regn./Exemption Number
- (i) I.V.C. Registration/Exemption Number valid for the licensing period to which the application pertains
- (ii) Previous I. V. C. Registration/exemption Number
- 2. Treasury receipt No. and date (Treasury receipt to be attached)
- 3. Licensing period in respect of which application is made
- 4. Particulars of raw materials to be imported (To be furnished in tabular form enclosed)
- 5. Particulars of licences issued and imports effected during the last three years
- 6. Where shipment is to be effected from a country different from the country in which goods originated in full statement of the reasons for the same should be given
- 7. Is a letter of authority desired, if so, name of the firm in whose favour it is desired

D. Spare Parts

c.i.f. value of the spare-parts to be imported and their description

E. General Information to be furnished.

- 1. Date of establishment of business in India
- 2. Nature of the concern whether Public or Private Ltd. Partnership or Proprietary or Hindu undivided family concern

- 3. Names of Directors, Partners, Proprietor or Karta as the case may be
- 4. Details of branches or associated companies names and location
 - (i) In India
 - (ii) Abroad
- 5. Has any application been already made by the applicant for the goods covered by this application or any other goods for the same period in any category? If so give details
- 6. Have any branches or associate companies mentioned in (4) or any of the gentleman named in (3) applied for an import licence for import of the goods covered by this application or any other goods for the same period if so give details
- 7. Is any branch/Associate concern of applicant holding a quota certificate E.I./licence for particular item/items covered by this application (If so, details of such quota certificates/Established importer's licence may be given)
- 8. Please state whether your industrial undertaking is registered or licensed under the Industries (Development and Regulation) Act, 1951. If so, quote the number and the date of registration certificate or the licence issued by the Ministry of the Commerce and Industry and also indicate the name of scheduled Industry
- 9. The Customs House where the import licence if granted will be registered
- 10. Full details of the enclosures attached with the application (every copy of the document should be marked as a true copy and signed beneath by the applicant)
- 11. Are you a member of the Indian Standard Institution
- 12. Name of the sponsoring Directorate in the D.G.T.D.

(1) I/We hereby declare that the goods for the import of which the application has been made are not meant for use in the manufacture of new articles for which a licence has not been obtained under Industries (Development and Regulation) Act 1951.

(2) I/We hereby declare that if this licence is granted the goods will be utilised only for consumption as raw materials or accessories in our factory and that no portion thereof will be sold to or permitted to be used by any other party.

APPENDIX 3—Contd.

(3) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that the licence granted to me/us on the basis of the statements furnished is liable to cancellation, in addition to any other penalty that the Government may impose having regard to the circumstances of the case if it is found that any of the statement of facts therein are incorrect or false.

(4) I/We hereby declare that the application is made in accordance with the condition laid down in the licence obtained under the Industries (Development & Regulation) Act, 1951 and that none of the items proposed to be imported by me is in contravention of any conditions imposed on me by the said licence.

Date..... Signature

Name in block letters.....

Designation

Residential address

NOTES

- (7) Applicants are advised to read the licensing instructions for the current period carefully before filling up the application form for import licence.
- (2) The information required against the various items in the form should be given legibly and completed in all details to avoid correspondence and delay in the disposal of applications. The licensing authorities have discretion to reject an application if the application is not complete in all respects.
- (3) Documentary evidence if asked for should be sent along with the application.
- (4) Any special reasons in support of the application may, if necessary be explained in a covering letter attached to the application.
- (5) Application should be signed by the Proprietor, Partner or Managing Director of the firm or by any person duly authorised to sign legal declaration on behalf of the firm. The position held by the persons signing the application should be clearly stated.
- (6) An applicant supplying false or incorrect information may be liable to have his licence cancelled and in addition may be debarred from the grant to any import licence in future.

Tabular form vide, col. C. 4.

1. Serial No.
2. Full description of the raw materials should be given.
3. I.T.C. No. and Part
4. Quantity (Weight No. or/ other appropriate accounting unit)
5. Value (c.i.f. Rs.) <i>proforma</i> invoice or other evidence from supplier showing the correct c.i.f. value of goods to be purchased.
6. Stocks (quantity) held by the applicant on the date of the import application whether in his own godown, lying with the Banks under the Produce Loans account or anywhere else.

7. Expected arrivals (quantity) on the opening date of the import licensing policy period in which the application is being made against the licence in hand (the information should include material to be received which might have been either in transit or ordered or yet to be ordered against the licence in hand).

8. Quantity and c.i.f. value of imported raw materials/ components consumed during the last three financial years (Itemwise information to be furnished for each year in respect of major items consumed).

9. Quantity and value (ex-factory price) of the production of end products during the last three financial years. (Information to be furnished for each item of production and for each year separately for which purpose, the items of production can be classified into board groups, if necessary).

10. Whether any application or request for enhancement of the quantity of the same material applied for in the previous period is pending with Directorate General of Technical Development or C.C.I. & E. and if so the details of the same.

11. Country of shipment

12. REMARKS

Date..... Signature

Name in block Letters.....

Designation

Residential address.....

FORM C-I

FORM OF APPLICATION FOR IMPORT OF RAW MATERIALS AND COMPONENTS BY ACTUAL USERS OTHER THAN SMALL SCALE UNITS (INCLUDING DGTD UNITS) UNDER AUTOMATIC LICENSING SCHEME.

PART-I (Licensing period April, '76—March '77)

1. Name of the applicant.
2. Full postal address:
 - (i) House/Shop No.
 - (ii) Name of the Street/Road.
 - (iii) Name of locality.
 - (iv) Name of State.
3. Address of location of factory.

APPENDIX 3—Contd.

4. Description of goods manufactured.
5. If select industry, furnish S.No. of the industry in the select list as in Appendix I of Red Book (Vol.-I).
6. Date of establishment of business in India.
7. Nature of the concern, whether Public Company or Private Company, Partnership or Hindu undivided family concern.
8. Name of Directors, Partners, Proprietor or Karta as the case may be.
9. Details of branches or associated companies (name & address).
 - (i) In India.
 - (ii) Abroad.
10. Registration No. allotted to Income tax verification certificate or exemption therefrom. Also attach attested or photostat copy of the IVC Regn./Exemption Number (If no current IVC Number is held, the previous IVC Number may be given).
11. Treasury Receipt No. and Date (Treasury receipt to be attached).
12. Factory No. allotted by the Directorate General of Technical Development/Sponsoring authority.
13. Registration No. allotted by DGTD/Sponsoring Authority and No. and date of Industrial Licence, if any, issued.

PART-II

14. Particulars of raw materials/components to be imported:—

ITC S.No.	Items	Quantity/Number	Value (c.i.f.)
(a)	Items, the import of which is not canalised through Public sector agencies.		
(b)	Items, the import of which is canalised through Public Sector Agencies.		

NOTE: The applicant should ensure that in respect of canalised items, the value item wise is invariably indicated.

15. Particulars of AU & REP licences/release orders issued during 1974-75 or 1975-76, as the case may be. (Please furnish these particulars in the attached proforma duly certified by Chartered Accountant)
16. Consumption of imported raw material and components during 1975-76 (Please furnish these particulars in the proforma given in Appendix 2 of the Red Book, Vol. I for April,

1976—March 1977 duly certified by Chartered Accountant or Cost Accountant (in practice).

17. Whether it is an exporting unit having exported 20% or more of its production during financial year 1975-76 or Calendar year 1975. If so, indicate letter No. and date of the CCI&E accepting the export performance.
18. Is a letter of authority desired? If so, name of the firm in whose favour it is desired.
19. The Customs House where the import licence, if granted, will be registered.
20. Full details of the enclosures attached:—
 - (i) T.R.
 - (ii) C.A. Certificate of consumption of raw materials and components.
 - (iii) C.A. Certificate of licences/release orders.
 - (iv) Check-sheet.

- (1) I/We hereby declare that the goods for the import of which the application has been made are not meant for use in the manufacture of new articles for which a licence has not been obtained under Industries (Development & Regulation) Act, 1951.
- (2) I/We hereby declare that if this licence is granted the goods will be utilised only for consumption as raw materials or accessories in our factory and that no portion thereof will be sold or permitted to be used by any other party.
- (3) I/We hereby declare that no other application for automatic licence has been made for the goods covered by this application.
- (4) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that the licence granted to me/us on the basis of the statements furnished is liable to cancellation, in addition to any other penalty that the Government may impose having regard to the circumstances of the case if it is found that any of the statement or facts therein are incorrect or false.
- (5) I/We hereby declare that the application is made in accordance with the condition laid down in the licence obtained under the industries (Development and Regulations) Act, 1951, and that none of the items proposed to be imported by me is in contravention of any conditions imposed on me by the said licence.

Signature.....
 Name in block
 letters
 Designation
 Residential
 Address

Date.....

(Proforma-Col. 15)

STATEMENT SHOWING PARTICULARS OF ACTUAL USER LICENCES/RELEASE ORDERS AND REP LICENCES/RELEASE ORDERS OBTAINED DURING THE LICENSING PERIOD.....BY M/S.....

1. Actual User licences/release orders obtained for the period.

APPENDIX 3—Contd.

1974-75				1975-76			
Licence		Release order		Licence		Release Order	
No. & date of I.L.	c.i.f. value of I.L.	No. & date of R.O.	c.i.f. value of R.O.	No. & date of I.L.	c.i.f. value of I.L.	No. & date of R.O.	c.i.f. value of R.O.
1	2	3	4	5	6	7	8

NOTE:—In the case of small scale units, they should also indicate clearly the c.i.f. value availed of under the facility of "repeat operation" as per the policy for the first half of the period 1975-76.

2. PARTICULARS OF LICENCES/RELEASE ORDERS OBTAINED BY THE UNITS AGAINST THEIR OWN EXPORTS:

1974-75				1975-76			
Licence		Release Order		Licence		Release Order	
No. & date of I.L.	c.i.f. value of I.L.	No. & date of R.O.	c.i.f. value of R.O.	No. & date of I.L.	c.i.f. value of I.L.	No. & date of R.O.	c.i.f. value of R.O.
1	2	3	4	5	6	7	8

NOTE.—In respect of an REP licence which had been obtained under the facility of "repeat operation" as per the policy applicable during the period 1975-76, only such REP licences which have been issued against adjustment of REP licences/release orders against the facility of "repeat operation" should be indicated.

I/We hereby declare that the information given in this statement is correct. I/We fully understand that any licence/release order issued on the basis of this information will be liable for cancellation, without prejudice to any other action that may be taken in this behalf, if it is found that any part of the information furnished is incorrect, false or misleading.

Signature of applicant.....

Full address.....

Date.....

I/We hereby certify that the information in the statement is correct and complete. I/We have verified this from the following records

- (1)
- (2)
- (3)
- (4)

I/We also certify that the applicant unit has been maintaining proper account of consumption in the prescribed form as indicated in Appendix 19 to the Import Trade Control Handbook of Rules and Procedure 1976-77.

Signature and seal of Chartered Accountant /Cost Accountant (in practice) or Sponsoring authority/ in the case of small scale units.

Date..... Full Address.....

FORM (C-II SUPPLEMENTARY)

LICENSING PERIOD.....

CODE NO.....

FORM OF APPLICATION FOR IMPORT OF ADDITIONAL RAW-MATERIALS AND COMPONENTS FOR SELECT INDUSTRIES (SPECIFIED IN APPENDIX I OF I.T.C. POLICY VOL. I FOR 1976-77) IN RESPECT OF UNITS BORNE ON THE LIST OF THE DIRECTORATE GENERAL OF TECHNICAL DEVELOPMENT

(This application should be submitted to the Chief Controller of Imports and Exports through the Directorate General of Technical Development. Three copies should be submitted of which one will be retained by the Director General of Technical Development, one copy will be sent by the DGTD to the Economic Adviser, Ministry of Industry and Civil Supplies and third passed on the Chief Controller of Imports and Exports).

Application for import of goods (other than those falling under Capital Goods Licensing Procedure) vide Government of India, Late Ministry of Commerce and Industry Order No. 17/55, dated 7th December, 1955, as amended.

PART I

Particulars of applicant :

1. Name of the applicant .
2. Full Postal Address :
(i) House/Shop No. .
(ii) Name of Street/Road .
(iii) Name of locality .
3. Address of location of factory
Particulars regarding Industrial Unit :
4. Description of End-products (including related end-products) manufactured .
5. If 'Select' industry, furnish S. No. of the industry in the 'Select' list as in Appendix I of the Red Book (Vol. I) .
6. Date of establishment of business in India .
7. Nature of the concern whether Public or Private Ltd., Partnership or Proprietary or Hindu undivided family concern .
8. Names of Directors, Partners, Proprietor or Karta as the case may be .
9. Details of branches or associated companies (names and location) .
(i) In India .
(ii) Abroad .
10. Registration No. allotted to Income-tax verification Certificate or exemption therefrom. Also attach attested or photostat copy of the I.V. C. Regn./Exemption Number (If the current IVC Number is not held quote the previous Number) .
11. Treasury Receipt No. and Date (Treasury receipt to be attached).

APPENDIX 3—Contd.

12. Factory No. allotted by the Directorate General of Technical Development.
13. Please state whether your industrial undertaking is registered or licensed under the Industries (Development and Regulation) Act, 1951. If so, quote the number & the date of registration certificate or the licence issued by the Government of India and also indicate the name of schedule industry.

PART-II

14. Particulars of raw materials to be imported (To be furnished in tabular form below):

- (i) Serial No.
- (ii) Full description of the raw materials should be given.
- (iii) ITC No. and Part.
- (iv) Quantity (Weight No. or other appropriate accounting unit)
- (v) Value (c.i.f.)
- (vi) Stocks of imported raw materials (Quantity and cif value) held by the applicant on the date of the import application whether in his own godowns, lying with the Banks under the Produce Loans account or anywhere else.
- (vii) Expected arrivals of imported raw materials (Quantity and cif value) on the date of the import application, against the licences in hand (the information should include material to be received which might have been either in transit or ordered or yet to be ordered against the licences in hand).

(viii) REMARKS :

15. Total cif value of import licences/release orders issued and cif value of goods imported during the last three years.
16. Whether exporting unit having exported 20% or more of its production during financial year 1975-76 or calendar year 1975. If so, indicate letter No. and Date of the CCI&E accepting the export performance.
17. Is a letter of authority desired? If so name of the firm in whose favour it is desired.

18. The Customs House where the import licence if granted will be registered.

19. Production capacity for each end-product.

20. Actual Production in terms of quantity and book value thereof for each product, in the last three fiscal years.

NOTE : If there was stoppage of production for any period indicate the duration of the period and the reasons.

21. In the case of the undertaking utilizing imported raw materials indicate position of the actual production mentioned against (20) above, if any, achieved through assistance of raw materials, foreign exchange received from sources other than DGTD.

22. Production programme separately for each product for the years current and next year.

NOTE : Production programme should be spelt out item-wise giving quantity and value against each item (A detailed justification of the production programme envisaged to be given alongwith full particulars of orders in hand and separate data for orders under negotiation).

23. Full details of the enclosures attached with the application (every copy of the document should be marked as a true copy and signed beneath by the applicant).

24. Name of the sponsoring Directorate in the D.G.T.D.

- (1) I/We hereby declare that no other application for supplementary licence has been made for the goods covered by this application.

- (2) I/We hereby declare that the goods for the import of which the application has been made are not meant for use in the manufacture of new articles for which a licence has not been obtained under Industries (Development and Regulation) Act, 1951.

- (3) I/We hereby declare that if this licence is granted, the goods will be utilised only for consumption as raw materials or accessories in our factory and that no portion thereof will be sold to or permitted to be used by any other party.

- (4) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that the licence granted to me/us on the basis of the statements furnished is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken, having regard to the circumstances of the case if it is found that any of the statement or facts therein are incorrect or false.

Signature

Name in Block letters

Date :

Designation

Residential Address

APPENDIX 3—Contd.

NOTE

1. Applicants are advised to read the licensing instruction for the current period carefully before filling up the application form for import licence.

2. The information required against the various items, in the form should be given legibly and completed in all details to avoid correspondence and delay in the disposal of applications. The licensing authorities have discretion to reject an application if the application is not complete in all respects.

3. Documentary evidence if asked for should be sent along with the application.

4. Any special reasons in support of the application may, if necessary be explained in a covering letter attached to the application.

5. Application should be signed by the Proprietor, Partner or Managing Director of the firm or by any person duly authorised to sign legal declaration on behalf of the firm. The position held by the persons signing the application should be clearly stated.

6. An applicant supplying incorrect information may be liable to have his licence cancelled and in addition may be debarred from the grant of any import licence in future.

7. Seven copies of lists of raw materials and components may be sent as enclosures (in respect of Engineering Industries where lists of raw materials included in Automatic licence is intended to be substituted by a revised list, seven copies of revised list alongwith full justification may be furnished).

8. A copy of the application on form C-1 submitted directly to CCI&E for grant of AUTOMATIC LICENCE together with the enclosures including Chartered Accountant's certificate should be sent as enclosures.

FORM D

APPLICATION FORM FOR NEW COMERS

Deleted

FORM 'E' (CG)

IMPORT LICENCE APPLICATION FOR CAPITAL
GOODS AND HEAVY ELECTRICAL PLANT

(Four copies to be submitted)

Part I

NOTE

1. Applicants are advised to read the licensing instructions for the current period as mentioned in Chapter VI of Import Trade Control Hand Book of Rules & Procedure, before filling up the application form. The application should be legible and complete in all respects to avoid correspondence/delay and rejection.

2. The application should be signed by the authorised representative of the company.

3. Documentary evidence and supporting documents as asked for and applicable must accompany this application.

1. PARTICULARS OF APPLICANT

- 1.1. Name
- 1.2. Registered Address
- 1.3. Postal address for correspondence
- 1.4. Sponsoring Authority
- 1.5. Administrative Ministry

2. NATURE OF CONCERN

- 2.1. Proprietary/partnership/
private Ltd./public Ltd.

2.2. Whether the undertaking is registered under the MRTP Act.

2.3. In case of Limited companies, details of capital structure;

(i) Capital structure

(ii) Authorised issued and subscribed capital

(iii) Foreign shareholding, if any, and percentage thereof with full particulars

2.4. Names and addresses of the proprietors/partners/Directors

3. PARTICULARS OF THE INDUSTRIAL UNIT

3.1. Name and location of the unit

3.2. Whether an industrial licence or a letter of intent has been issued under the Industries (Development and Regulation) Act, 1951

3.3. If exempt from licensing, furnish details of registration No. and date with State Director of Industries /DGTD/Textile Commissioner/Jute Commissioner/Iron and Steel Controller/other Sponsoring authority

3.4. If the applicant is a small scale unit, whether it will continue to remain so after the proposed import

3.5. Whether approval/licence granted by the Government and/or the foreign collaboration approval contain any condition of export? If so, furnish details.

3.6. Whether foreign collaboration, financial and/or technical is involved and, if so, whether it has been approved

3.7. Manufacturing capacity per annum;

Items of manufacture	Licensed capacity (existing)	Licensed capacity (approved)	Capacity covered by the CG application on maximum utilisation.
3.8. Whether the article proposed to be manufactured are being imported. If so, furnish if possible the average value of imports (c.i.f.)			

APPENDIX 3—Contd.

3.9. Whether the articles proposed to be manufactured can be exported. If so whether the applicant can undertake an export obligation and the extent of such obligation in terms of the percentage and value of production

4. INVESTMENT

4.1. Total investment (in land and building and machinery)

	Existing	Proposed
Land and building . . .		
Machinery		
Total		

4.2. Value of imported plant and equipment

	Existing	Proposed
Existing		
Proposed		
Total		

4.3. Does the value of equipment proposed to be imported exceed the estimated value of imported equipment as indicated in the application for Letter of Intent/Industrial Licence

4.4 If the answer to 4.3 is in the affirmative, indicate the percentage and extent of increase and reasons therefor

5. REQUIREMENTS OF IMPORTED RAW MATERIALS/COMPONENTS

5.1. Requirement of imported raw materials per annum for the capacity covered by this application.

Item	Qty.	Estimated Value (cif)	Total Rs.
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5.2. Requirements of imported components per annum for 5 years

	Item Qty.	value (cif)
1st Year		
2nd year		
3rd year		
4th year		
5th year		

6. PURPOSE OF IMPORT

6.1. Whether the capital goods applied for are for the purpose of :

(i) New undertaking
(ii) New article diversification

(iv) balancing
(v) Replacement
(vi) Modernisation
(vii) Testing
(viii) Quality Control
(ix) Prototype for manufacture
(x) Research and Development

6.2. If the import is for balancing/replacement modernisation whether it will result in an increase to licensed, approved capacity.

6.3. In case of import of machines for replacement

(i) Date of installation of original machines

(ii) Arrangements for the disposal of old machines

7. MANNER OF FINANCING IMPORTS

7.1. Foreign equity. If so furnish full details of financial participation approved, amount utilised and the balance available.

7.2. Investment by non-resident Indian Nationals.

7.3. Suppliers credit

7.4. Private foreign exchange loan

7.5. Borrowing from IFC ICICI/state financial Corporations

8. DETAILS OF CAPITAL GOODS APPLIED FOR

8.1. Whether it is machinery, machine tools or heavy electrical plant

8.2. Description	ITC No.	Quantity	fob value in Rs.	Country of origin
Total fob value.				Rs.

8.3. Value of initial spares (fob Rs.)

8.4. Estimated freight (Rs.)

8.5. Insurance (Rs.)

8.6. (i) Total c.i.f. value (8.2+8.3+8.4+8.5) in Rs.

(ii) In Foreign Exchange

APPENDIX 3—Contd.

- (iii) Rate of exchange used in conversion of Rs. into foreign exchange
- 8-7. Agents Commission or procurement fee if any payable in foreign exchange
- 8-8. Condition of machinery whether new, secondhand or reconditioned
- 8-9. Details of connected import CG licences already received/applied for; licences No.; Date; Value; source of financial; sources of Import
- 8-10. Whether any further imports of capital goods are envisaged for the project in addition to the items covered in the present application
9. SPECIFIC INFORMATION ON IMPORT LICENCES TO BE ISSUED
- 9-1. Port of Registration for Clearance of goods
- 9-2. Validity period required for the import licence
- 9-3. Endorsement to avail of concessional rate of duty under ICT-72-A as project Imports required
10. DETAILS OF SUPPORTING DOCUMENTS INFORMATION
- 10-1. Original Treasury Receipt/Bank Certificate
No Date
Value Rs. ☐ Enclosed
- 10-2. Photostat attested copy of IVC Registration/Exemption Certificate
No
Date Valid upto .. ☐ Enclosed
- 10-3. Photostat/attested copy of Industrial Licence/Letter of intent, Registration Certificate from Sponsoring authority. ☐ Enclosed
- 10-4. Proforma Invoice/other documentary evidence in duplicate in support of goods indicating date of invoice and its validity ☐ Enclosed
- 10-5. Copies of Literature/pamphlets/Specifications giving complete details of goods to be imported ☐ Enclosed ☐ Not applicable
- 10-6. Copy of each advertisement in ITJ/ESB
Volume Date ☐ Enclosed
- 10-7. Tabular statement of Responses received against advertisement/enquiries ☐ Enclosed
- 10-8. Original Certificate, from Small Industries Services Institute, certifying essentiality for replacement of machinery in case of Small Scale Industries only ☐ Enclosed ☐ Not applicable
- 10-9. Chartered Engineer's Certificate, in original regarding present condition of Machinery/Equipment to be replaced ☐ Enclosed ☐ Not applicable
- 10-10. If second hand/reconditioned machinery is to be imported a certificate certifying machinery's age, present condition, original and present value and probable unexpired life from the chartered engineer. ☐ Enclosed
- 10-11. Photostat/attested copy of Registration certificates in case of Research and Development institute/Laboratory registered with the Administrative Ministry ☐ Enclosed ☐ Not applicable
- 10-12. Proforma regarding import of prototype as per Appendix-32 of ITC Hand Book 1976-77. ☐ Enclosed ☐ Not applicable
- 10-13. Copies of correspondence, if any, regarding efforts made to import machinery from Rupee Payment Area. ☐ Enclosed
- 10-14. Attested Photostat copies of enquiries made to foreign suppliers and their replies where efforts have been made to obtain Blue Prints/Drawing of equipments of machinery sought to be imported ☐ Enclosed ☐ Not applicable
- 10-15. Documentary evidence showing Government approval for
(i) Foreign Collaboration ☐ Enclosed ☐ Not applicable
(ii) Copy of Reserve Bank of India Certificate regarding balance available against foreign equity capital in cash ☐ Enclosed ☐ Not applicable
- 10-16. (i) Attested/Photostat copy of terms conditions of private credit arranged ☐ Enclosed ☐ Not applicable
(ii) Statement showing countries of import preferences in case of Bilateral/Free Foreign Exchange ☐ Enclosed ☐ Not applicable

APPENDIX 3—Contd.

'E' (CG) FORM APPLICATION (PART II)

(To be submitted in quadruplicate along with four copies of application in 'E' (CG) Form for import of Capital Goods by exporter-manufacturers—vide paragraph 145—of Chapter VI of the ITC (Handbook of Rules and Procedure)

1. Name and full address of the exporter/manufacturer
2. Nomenclature of products manufactured indicating the products being exported
3. Quantity and value of production of each of the products manufactured in the last three financial years till to date (incomputing the value of production please give both the internal sale value as well as the f.o.b. export value)
4. Quantity and f.o.b. value of export product-wise for the period as at (3) above (including also the countries to which exported). A statement of export in terms of quantity and f.o.b. value made certified by the concerned Export & Promotion Council/Commodity Boards should be enclosed)
5. Increase in future exports as a result of the installation of capital goods sought for import over the next five years both in terms of quantity and value
6. Whether any export obligation was imposed in the letter of intent or industrial licence; if so, furnish details
7. Whether present application is connected with any foreign collaboration, if so whether any export obligation was imposed in the Foreign Collaboration approval
8. Whether you have any unfulfilled export obligation, if so, details should be furnished
9. Whether you are prepared to undertake an export obligation, if so, the extent of such obligation in terms of the percentage and value of production
10. Whether you have made any application to DGTD/CCI & E/Office of Development Commissioner Small Scale Industries etc. for import of Capital Goods during the last 12 months, if so give details of capital goods applied for Capital goods cleared for import by Government, their value source of finance and whether imports effected. In case any application for import of capital goods has been

submitted against your export performance, please give details thereof

(1) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief.

(2) I/We hereby declare that the goods for import of which the application has been made shall be used only for the manufacture of (Name of products) and for the capacity licensed under the Industries (Development and Regulation) Act, 1951 or approved by Government.

Signature
Name in Block Letters
Designation

Date

FORM 'F'

APPLICATION FOR ESTABLISHMENT OF QUOTAS OR REVISION OF QUOTAS

1. Name of the firm
Full Postal Address :
(i) House/Shop No.
(ii) Name of Street/Road
(iii) Name of Locality
(iv) Name of State
2. Description of goods
3. Serial No. and Part of the I.T.C. Schedule
4. Quota certificate No. and date held on any one or both the currency Areas, e.g. S.C.A. and G.C.A. (Quota certificate sought to be revised to be enclosed). If no Quota certificate is held in any of the areas this should be indicated. Particulars of Quota certificate held :
Q. C. No. and date S. No. and Part No. Basic value Year Currency Area
5. If no quota certificate is held or if the old quota certificate is sought to be revised furnish details of past imports in the basic year as the case may be in the form enclosed alongwith relevant documents. A certified copy of each of the documents duly signed should also be furnished
6. General information to be furnished :
(a) Date of establishment of business in India
(b) Nature of the concern, whether Public or Private Ltd., or Partnership or Proprietary or Hindu Undivided family concern
(c) Name of the Director, Partners, Proprietors or Karta

APPENDIX 3—Contd.

(d) Details of branches or associated companies in India (names and location). Furnish name of the Bank in which you have a Bank account together with the number of accounts if any

(e) Has any application been made by the applicant for fixation of quota for goods falling under the same Serial No. or sub-item of Serial No. If so give details, basic year chosen and letter No. and date containing the decision of the authority to whom the application was made with the same set of documents

(f) Have any branches or associated companies mentioned in (d) or any of the gentlemen named in (c) applied for fixation of quota for goods falling under the same Serial No. or sub-item of the Serial No. If so, give details and the basic year chosen. Also declare that a common basic year has been chosen.

(g) Whether the firm or its branches or its associated concerns are in receipt of any import licence for the same or similar items as actual users and if so particulars of such licences should be furnished.

(h) Mention the changes in the constitution/name of the concern since inception or 1st April 1951 whichever is later in the statement below.

Date of change	Brief nature of change	No. and date of communication sanctioning transfer of quota
----------------	------------------------	---

7. Reasons to prove the necessity for establishment or refixation of quota (if necessary this information may be given in a separate statement).

8. Full details of the enclosures attached with the application (Every copy of the documents should be marked as a true copy and signed beneath by the applicant)

(i) I/We hereby declare that the above statements are true and correct to the best of my /our knowledge and belief. I/We fully understand that any quota certificate granted to me/us on the basis of the statement furnished is liable to cancellation in addition to any other penalty that the Government may impose having regard to the circumstances of the case if it is found that any of the statement of facts therein are incorrect or false.

(ii) I/We possess/do not possess two quota certificate for Serial number/sub-serial number (to be specified) and declare that I/We have submitted no other application for obtaining quota certificate for the same serial Number/Sub-Serial number previously.

Station	Signature
Date	Name in Block Letters...
	Designation
	Residential Address

APPENDIX 3—Contd.

ANNEXURE TO THE APPLICATION FOR ESTABLISHMENT OF FRESH
QUOTAS OR REVISION OF QUOTAS

STATEMENT OF PREVIOUS IMPORTS

Particulars of Bills of Entry No. and date etc.		c.i.f. value of the items	Detailed descri- ption of goods	Country whence consigned as	Name of Stea- mer by which	Detailed Parti- culars of re-
(i) Bill of Entry Cash No. and (duty paid) date in respect of Home Consump- tion Bill of Entry		applied for as shown in the invoice and	as shown in the Bills of Entry imported	shown in the Bill of Entry or place of des- patch in respect of imports by	imported and the port of Entry	levant licence against which imports were effected Cate- gory of licence
(ii) I.D.F. No. and date in the case of duty free articles.		accepted by the customs		post		No. and date value Sr. No. EI/Ad-hoc etc.
(iii) Bond No. and date in respect of bon- ded goods (ex-bond green bills of entry not to be taken into account).		(Rupees)				
(v) Post parcel 'B' No. and date of im- portation.						
(a) No. of documents	(b) Date of importation					
1	2	3	4	5	6	7

I/We solemnly declare the above statement to be true and correct to the best of my/our knowledge and that it does not include imports specified at items (a) to (t) of the note below and the imports short landed short supplied or lost in transit.

Signature

Name in Block Letters.....

Designation

Residential Address

APPENDIX 3—Contd.

NOTES

- (a) Imports made in contravention of the Import Trade Control Rules and Regulations.
- (b) Imports made without a valid licence and cleared under a warning.
- (c) Imports made in excess of the value of the licence and allowed to be cleared by the Customs authorities on payment of fine/penalty. Only such excess will not qualify for quota fixation.
- (d) Imports made by the applicant under a letter of authority authorising him to import goods against a licence granted to another party.
- (e) Imports made under licences granted against the orders of the late D. G. (I & S.) (now D. G. S. & D.) or of the State Railways or of Defence Organisation.
- (f) Imports made under licences granted to actual users in respect of raw materials or accessories or other articles.
- (g) Imports made under *ad hoc* licences (other than those *ad hoc* licences which were issued for import of goods for stock and sale purposes only) or licences granted subject to the express condition that imports thereunder will not be taken into account in calculating quotas whether the licences are marked N. Q. Q. or not.
- (h) Imports against C. G. & H. E. P. licences by actual users or other imports against orders from actual users. However, imports made against C.G. & H.E.P. licences for stock and sale purposes will be taken into account for purposes of calculation of quota only in respect of S. No. 36/II S. No. 4/III and S. No. 65/V of the old I.T.C. Schedule.
- (i) Imports of goods of no commercial value made under O.G.L. IV.
- (j) Imports made against licences granted under the export promotion schemes, avocation schemes or under the import policy for registered exporters.
- (k) Imports made against "replacement licences."
- (l) Imports of casual nature e.g. imports for personal use or imports as samples.
- (m) Imports of equipments against licences issued under the Irrigation Projects Licensing Scheme.
- (n) Imports made under licences issued through inadvertence or mistake or contrary to rules or provisions of Imports (Control) Order, 1955, or obtained by fraud or misrepresentation, subsequently detected.
- (o) Imports made by an actual user under O.G.L. or otherwise of goods which were used by the actual user in his own factory/establishment.
- (p) Licences issued against specific orders from actual users.
- (q) Goods which are not cleared for home consumption.
- (r) Imports made against licences issued under National Defence Remittance Scheme.
- (s) Imports made under the concession of interchangeability provided to established Importers or others.
- (t) Any other imports which do not qualify for quota under import policy in force.

Form 'G'

FORM OF APPLICATION FOR REVALIDATION OF LICENCES

PART A

1. Name and full address of the licensee

2. Licence No. date & value
3. File No. of the licensing authority from which the licence was issued
4. Description of goods
5. Value for which goods have been shipped during the initial period of validity including period of revalidation already availed of, if any
6. Value for which irrevocable commitment has been made during the initial period of validity including period of revalidation already availed of, if any, (Supporting documentary evidence should be furnished).
7. Whether first or second or subsequent request for revalidation (in the case of second or subsequent requests, the period of revalidation availed of earlier should be indicated) !
8. Reasons for seeking revalidation (supporting documents to be furnished)
9. Period of revalidation applied for
10. List of enclosures

(Signature with full name)

Designation

Relationship

Full address

Place

Date

PART B

Action in the Licensing Office.

FORM 'H'

Transferred to Appendix 4

FORM I

Application form for Established Importers

(Repeat Licensing Schemes)

Deleted.

APPENDIX 3—Contd.

FORM (J)

Form of application for Import of Newsprint for publishing Newspapers/Periodicals.

PART I

(To be submitted in duplicate)

(To be filled in by the applicant for use in the licensing Office)

A. Particulars of the applicant

1. Name of the applicant

2. Full Postal Address—

(i) House/Shop No.

(ii) Name of Street/Road

(iii) Name of locality and city

(iv) Name of State

3. Telegraphic Address

B. Particulars of application :

4. Registration No. allotted to Income tax Verification certificate or exemption therefrom :—

(i) I. V. C. Registration/Exemption number valid for the licencing period to which the application pertains

(ii) Previous I.V.C. Registration/Exemption number

5. Treasury receipt No. and date (Treasury receipt to be attached in original)

6. Licensing period in respect of which application is made

7. (a) Country from which the goods are sought to be imported.

(b) Where shipment is to be effected from a country different from the country in which the goods originated, full statement of reasons for the same should be given.

8. Is a letter of authority desired? If so, name of the firm in whose favour it is desired.

C. General information to be furnished.

9. Date of establishment of business in India.

10. Nature of the concern, whether Public Company or Private Company, Partnership or Hindu Undivided Family concern

11. Name of all the Directors, Partners, Proprietor or Karta as the case may be, with their addresses.

12. Details of branches or associated companies (Name and location)

(i) In India

(ii) Abroad

13. Has any application been already made by the applicant for the goods covered by this application or for any other goods for the same period in any category. If so, give details.

14. Have any branches or associate companies mentioned in (12) or any of gentlemen named in (11) applied for an import licence for import of goods covered by this application or for any goods for the same period if so give details.

15. Is any branch/associate concern of applicant holding an established importer quota for particular item/items covered by this application. If so, details of quota certificates/Established Importers licences may be given

16. The Customs House where the import licence, if granted, will be registered.

17. Full details of the enclosures attached with the application. (Every copy of the document should be marked as a true copy and signed beneath by the applicant)

PART II

(To be filled in by the applicant for use by the sponsoring authority)

18. (a) Title of the newspaper/periodical.

(b) Language

(c) Periodicity

(d) Place of publication

(e) Nature of contents (classification)

19. (a) Date from which the newspaper/periodical is regularly published

(b) Whether it is registered with the R.N.I.

(i) If so, registration number allotted.

(ii) If not, the date on which declaration was filed/accepted by District Magistrate etc.

(c) Date of filing of latest declaration in case a fresh declaration was filed/accepted by District Magistrate.

(d) Reasons for filing the latest declaration.

APPENDIX 3—contd.

20. Name and other particulars of news papers/periodicals owned by the applicant :—

Title of paper	Language and Periodicity	Place of Publication	Whether getting newsprint through Govt.
1	2	3	4
(1)			
(2)			
(3)			
(4)			

21. (1) Particulars of circulation etc. per publishing day during the previous licensing period :—

- (a) Average number of copies printed
- (b) Average number of copies sold
- (c) Average number of copies distributed free (this would include complimentary, voucher, exchange, bonus sample and office copies).
- (d) Average number of unsold returns and other copies printed but neither sold nor distributed free)
- (e) Average number of pages
- (f) Average area of one page of Newspaper periodical (in square centimetres)
- (2) Actual number of days of publication during the previous licensing period

(Detailed information about circulation, number of pages, page area and number of publishing days during the previous licensing year may be given in the form appended as Schedule to this form)

22. Sample copy of the issue bearing the date of 1st, April of the current year or the date nearest to it should be sent along with this application.

23. (1) The total quantity of newsprint allotted and consumed during the previous licensing period :—

Quantity allotted (in tonnes)			Quantity consumed (in tonnes)		
Imported	Indigenous	Total	Imported	Indigenous	Total

- (2) In case more newsprint than what had been allotted for the period was consumed, the source(s) from which the additional quantities were procured should be indicated

24. Details of printing machinery :

- 1) Type of printing machinery used (Rotary, Flat bed, letter press, etc.)

(2) Name of printing press (with full postal address) where newspaper periodical printed

(3) Whether the printing press is owned by the newspaper periodical

(4) Size of reols sheets used for the newspaper periodical

25. Particulars of circulation etc. on which newsprint is required for the current licensing Period :—

- (1) Average circulation expected to be achieved during the current licensing year
 - (a) Average number of copies proposed to be printed
 - (b) Average number of copies expected to be sold,
- (2) Average number of pages proposed to be printed during the current licensing year
- (3) Average area of one page of newspaper periodical (in square centimetres)
- (4) No. of issues proposed to be brought out during the current licensing year

26. Particulars of newsprint to be imported.

Item and I.T.C.S. No.	Quantity in tonnes	Value (c.i.f.) (in Rs.)
-----------------------	--------------------	-------------------------

27. Last licensing year in which application for import of newsprint was made.

28. Particulars of licences issued and imports effected during the last three periods. (if no licence was issued during the last three periods particulars of the last licence issued and imports effected against it.)

Licensing Period	No. and date and value of licence	Value (c.i.f.) of imported goods	Description of goods imported
------------------	-----------------------------------	----------------------------------	-------------------------------

29. Stocks

				Expected arrivals against Licences, c.i.f. allocations Nepa Printing & Writing paper authorisation
Against previous licensing year's entitlement	Against current year quota, if any.	Against previous licensing entitlement	Against current year expected entitlement	Total

(i) Imported :

- (a) Glazed
- (b) Unglazed

(ii) Nepa newsprint

(iii) Printing & Writing paper.

30. Period for which stock and expected arrivals are to last

APPENDIX 3—Contd.

31. Consumption of the imported news-print during the 12 months

Item	Quantity	Value
------	----------	-------

1. I/We hereby declare that if this licence is granted the goods will be utilised only for printing of the Newspapers/periodicals for which the same is applied for and no portion thereof will be sold or permitted to be used for any other newspaper(s) or for any other purpose.
2. I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancella-

tion, in addition to any other penalty that the Government may impose or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements of facts therein are incorrect or false.

Date :

Signature

Name in block Letters.....

Designation

Residential Address

APPENDIX 3—Contd.

Schedule

Statement giving month-wise information regarding average circulation, page-area, average number of pages and actual number of publishing days during the period April, 19..... March,19.....

Title of paper Place of publication	Language Periodicity												Average for the period from 1-4- to 31-3-
	Apr.	May	June	July	Aug-	Sept.	Oct.	Nov.	Dec,	Jan.	Feb.	March	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(a) Average number of Copies printed per publishing day													
(b) Average number of copies sold per publishing day													
(c) Average number of copies distributed free per publishing day (including complimentary voucher exchange, bonus, sample and office copies)													
(d) Average number of unsold, returned and other copies printed but not included in (b) & (c)													
(e) Average size of one page of the newspaper/periodical (in sq. centimeters)													
(f) Average number of pages of the newspaper/periodical per publishing day													
(g) Actual number of publishing days													

Signature of publishers.....

Date

Certificate by Chartered Accountant

(This certificate is required to be given in all cases where the average number of copies during the previous licensing period as given above exceeds 2,000).

I/We have examined the books and account of published from.....

..... (Name of the paper, language, periodicity).

(Address)

for the period from 1-4-19.. to 31-3-19.. and have obtained all the information and explanation required by us. In my/our opinion the statement set forth above reflects true and correct analysis of circulation, pages size and number of publishing days for the period from 1-4-19.. to 31-3-19.. to the best of my/our information and belief and according to the explanation given to me/us shown by the books of account etc.

Date

Stamp of the Chartered Accountant

Signature

Name in Block Letters.....

Chartered Accountant Registration No

Address

APPENDIX 3—Contd.

Form 'K'

FORM OF APPLICATION FOR PUBLIC SECTOR PROJECTS/UNDERTAKINGS *i.e.* IRRIGATION AND POWER PROJECTS/STATE ELECTRICITY BOARDS/ UNDERTAKINGS FOR IMPORT OF (i) MAINTENANCE OPERATIONAL ITEMS OF SPARES & STORES & (ii) RAW MATERIALS, COMPONENTS AND MAJOR ASSEMBLIES :

Note : All the columns should be filled by the applicant carefully and no column should be left blank.

1. (i) Name of the project & undertakings
- (ii) Name and Postal Address of the applicant
- (iii) Telegraphic Address of the applicant
- (iv) Address and location of the Project/Undertaking
2. (i) Particulars regarding the unit :
- (ii) The purpose for which the goods are required.
3. Treasury Receipt No. date (treasury receipt to be attached wherever required)
4. Licensing Period
5. Particulars of the goods to be imported their c.i.f. value (To be detailed in a separate list to be attached)
6. S. No. Part of the I.T.C. Schedule
7. Currency in which foreign exchange is required
8. The amount of Indian Agents' commission included in the C.I.F. value
9. Country of import (where shipment is to be effected from the country different from the country in which the goods originated, full statement of reasons for the same should be given)
10. Is a letter of authority desired? If so, the name of the firm in whose favour it is desired (necessary documentary evidence should be furnished)

Import House where

(2) I/We hereby declare that if this licence is granted the goods will be utilised only for consumption as raw materials or accessories in our Project/Factory and that no portion thereof will be sold to or permitted to be used by any other party.

(3) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation in addition to any other penalty that the government may impose, having regard to the circumstances of the case if it is found that any of the statement or facts therein are incorrect or false.

Signature

Name in block Letters

Date Designation

Note : In the case of application for maintenance and operational items of spares and stores a certificate should be appended by the applicant at the end of the application covering the following points :—

- (a) that the items sought to be imported are either not available indigenously or available in specific period not suitable to project authority; and
- (b) that they are not banned or if banned suitable clearance from the D.G.T.D. has been obtained.

(Floating of enquiries in trade journals in time and non-receipt of acceptable offers will be sufficient ground for certifying indigenous non-availability by the project authorities).

FORM L

IMPORT APPLICATION FOR 'EMERGENCY' SPARE

A. Particulars of applicant :

1. Name of the applicant
2. Full Postal Address.
3. Telegraphic Address.
4. Address of location of factory.
5. Goods manufactured.

B. Particulars of application :

1. Registration No. allotted to income tax Verification or Exemption therefrom

APPENDIX 3—Contd.

3. Description of the machinery for which spares are required and c.i.f. value of spares to be imported.

4. Country from which spares applied for are to be imported.

5. Country from which the original equipment was imported.

6. Where shipment is to be effected from a country different from the country in which the goods originated full statement of reasons for the same should be given.

C. General information to be furnished.

1. Are you borne on the books of the D.G.T.D. and if so indicate the factory number allotted by D.G.T.D.

2. Registration No. allotted by the State Director of Industries (in the case of non-D.G.T.D. units)

3. Value of emergency spares licence, if any, obtained or applied for already in respect of the same machinery during the same licensing Period in which the present application has been made.

4. Nature of the concern, whether Public Company or Private Company partnership or Hindu Undivided Family concern

5. Names of Directors, Partners, Proprietor or Karta as the case may be

6. Details of branches or associated companies (name and location)—

(i) In India

(ii) Abroad

7. Is a letter of authority desired? If so, name of [REDACTED] whose favour

of the statement furnished is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Date :

Signature

Name in block letters

Designation

Residential Address

Note (i) This form is intended for applications made by actual users for the grant of emergency licences for import of spare parts

(ii) Apart from the details provided for in this form, proper justification for the import of spares on a most immediate basis should be given in the letter forwarding the application.

Form 'M'

Form of application for replacement licence

"A". Particulars of the applicant :

1. Name of the applicant

2. Full postal address

(i) House/Shop number

(ii) Name of street/Road

(iii) Name of locality and city

(iv) Name of State

3. Telegraphic address

4. Address of location of factory :

"B"—Particulars of application

1. Registration number allotted to Income-tax verification certificate or exemption therefrom :

(a) I.V.C. Registration/Exemption No. valid for the licensing period to which the application pertains.

(b) Previous I.V.C. Registration No.

APPENDIX 3—Contd.

5. Details of branches or associated companies (name and location) :—
 - (a) In India
 - (b) Abroad
 6. Is a letter of authority desired? If so, name of the firm in whose favour it is desired .
 7. The Customs House where the import licence, if granted, will be registered .
 8. Detailed description with size, quantity, specification etc. and also the respective I.T.C. serial numbers of the goods to be imported .
 9. C.i.f. value in rupees of the goods to be imported : .
 10. Description with size, quantity, specification etc. of previous consignment in replacement of which the application is made .
 11. C.i.f. value in rupees of the previous goods in replacement of which the application is made .
 12. Reasons for the difference, if any between the specifications and the c.i.f. values of the previous consignment and the goods sought to be imported in replacement thereof .
 13. No. and date of the licence and file No. of the licensing office pertaining to the previous consignment .
 14. Date of shipment/arrival/clearance of previous consignment(s) .
- “C.”—General information to be furnished
1. Please State whether :—
 - (a) The previous consignment was short landed or lost in transit prior to actual import; or
 - (b) The previous goods were found lost or damaged after import :

or

 - (c) The previous goods were found defective or unfit for use after import .
 - (d) The previous goods were found unfit for use/damaged during the period of guarantee;
 2. Whether the goods sought to be imported in replacement are a free supply by the foreign supplier or are to be imported against an insurance claim :
 3. (a) In the case of free supply why the same cannot be imported under O.G.L. No. IV?
 - (b) In the case where the free supply of the goods can not be covered by O.G.L. No. IV please state the amount of insurance and foreign exchange if any required to be paid to import the goods (Necessary documentary evidence to prove that the goods are to be supplied free of cost with or without insurance or freight charges should be furnished) .
 4. In case the loss or damage to the goods was caused on the docks after landing and the goods in question were insured at the time of such loss or damage please state :—
 - (a) Whether any insurance survey certificate was issued by any authorised insurance surveyors to the effect that the goods were actually lost or damaged while on the docks after landing; and if so, attach the certificate—
 - (b) The amount in rupees of the claim accepted by the insurance company and produce a certificate from them to the effect that they have accepted the claim for the said amount as the value of the goods lost or damaged.
 - (c) The reasons or the difference where the value of the claim accepted is more than the original value of the goods lost or damaged :
 - (d) Whether the insurance policy was taken from an Indian company or from a non-resident Insurance company. In the former case a certificate from the insurance company should be produced to the effect that the insurance policy was issued by the company in India and the claim settled for payment in Indian rupees.
 5. In the case of the machinery, where the defect, damage, breakage or loss is noticed after installation or operation of the machinery and it is covered by the term of warranty guarantee given by the foreign supplier please furnish.

APPENDIX 3—Contd.

- (a) Original evidence of acceptance by the foreign suppliers to the replaco the goods in question free of charge.
- (b) A certificate from a qualified engineer to the effect that the particular machine or part thereof is considered unfit for use in the main plant etc. for which it was intended.
- (c) Original evidence showing the date of the previous importation of machinery and the period of guarantee given by the foreign supplier/manufacturer.
- (2) If the said defect, damage, breakage or loss is covered by a marine Insurance policy please state/furnish :—
- (a) The amount of the Indian rupees of the claim accepted for payment by the Insurance company :
- (b) A certificate from the insurance company to the effect that they have accepted the claim for payment of amount as indicated against Col. 5 (2) (a) above as the value of goods broken or lost.
- (c) A survey certificate issued by any authorised surveyors or any other satisfactory evidence to prove that the goods were actually found defective damaged broken, or lost.
6. Full details of the documents attached with the application.

DECLARATION

(1) I/We hereby declare that if this licence is granted the goods will be utilised only in our factory and that no portion thereof will be sold to or permitted to be used by any other party.

(2) I/We hereby also declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken, having regard to the circumstances of the case, if it is found that any of the statements or facts therein are incorrect or false.

Signature

Name in block letters.....

Designation.....

Residential address.....

Date.....

Note

- (i) This form is intended for all categories of applicants.
- (ii) The declaration (1) above is relevant to the actual user applicants only.
- (iii) The form should be carefully filled by the applicant to enable the licensing authority to avoid unnecessary correspondence. No column should be left blank. The words "Yes" or "no" or "not applicable" can be used against the columns in the application form wherever necessary. If the applicant is not able to give answer to any particular column he should give a positive reasons for the same.

FORM 'N'

Licensing Period.....

Unit No.

FORM OF APPLICATION FOR IMPORT OF RAW MATERIALS, COMPONENTS AND SPARE PARTS FOR UNITS LOCATED IN SANTA CRUZ EXPORT PROCESSING ZONE.

(This application should be submitted in Quadruplicate to the Development Commissioner. SEEPZ)

Application for a licence for import of goods (other than those falling under the Capital Goods Licensing Procedure), vide Government of India, Late Ministry of Commerce and Industry, Order No. 17/55 dated the 7th December, 1955, as amended.

PART-I

A. Particulars of Applicant :

1. Name of the applicant
2. Full Postal & telegraphic address

B. Particulars regarding Industrial Unit.

1. (a) Name of the Industry
- (b) Name of the product and the exact purpose for which the raw material is required (preferably the function served by the raw material in the manufacture of the product should be explained)

2. Description of goods manufactured

3. Production capacity separately for each store for which different raw materials are desired to be imported .

4. Actual production in the last calendar year

Note.—If there was stoppage of production for any period, indicate the duration of the period and the reasons therefor.

5. Estimated production in the next calendar year

APPENDIX 3—Contd.

C. Particulars of applications :

1. Particulars of licences issued and imports effected during the last three years
2. Particulars of raw materials to be imported :
 - (a) Serial Number
 - (b) Full description of the materials should be given
3. ITC No. & Part
4. Quantity (Weight/Nos./or other Appropriate accounting unit
5. Value (c.i.f.) in Rs. . . .
6. Stocks (quantity) held by the applicant on the date of the import application whether in his own godown, lying with the banks under the produce loans account or anywhere else. . . .
7. Expected arrivals (quantity) on the opening date of the import licensing policy period in which the application is being made, against the licences in hand
(The information should include material to be received which might have been either in transit or ordered or yet to be ordered against the licences in hand)
8. Quantity and c.i.f. value of imported raw materials/components consumed during the last three financial years
(Itemwise information to be furnished for each year in respect of major items consumed)
9. Quantity and value (ex-factory price) of the production of and products during the last three financial years. (Information to be furnished for each item of production and for each year separately, for which purpose, the items of production can be classified into broad groups, if necessary)
10. Registration No. allotted to Income tax Verification Certificate or exemption therefrom—Also attach attested or photostat copy of the IVC Regn./Exemption Number
 - (i) I.V.C. Registration-Exemption Number valid for the licensing period to which the application pertains
 - (ii) Previous I.V.C. Registration/Exemption Number

11. Treasury Receipt No. and date (Treasury receipt to be attached)

12. Where shipment is to be effected from a country different from the country in which goods originated full statement of the reasons for the same should be given

13. Is a letter of authority desired? If so, name of the firm in whose favour it is desired

14. Remarks :

D. Spare Parts :

C.I.F. value of the spare parts to be imported and their description. Please see attached proforma invoice.

E. General Information to be furnished :—

1. Date of establishments of business in India :
2. Nature of the concern whether Public or Private Ltd., Partnership or Proprietary or Hindu Undivided Family concern
3. Names of Directors, Partners, Proprietor or Karta as the case may be
4. Details of branches or associated companies (Names and locations)
 - (i) In India
 - (ii) Abroad
5. Has any application been already made by the applicant for goods covered by this application or any other goods covered by this application or any other goods for the same period in any category if so, give details
6. Have any branches or associated companies mentioned in (4) or any of the gentlemen named in (3) applied for an import licence for import of the goods covered by this application or any other goods for the same period? If so, give details

"F." Additional information to be furnished :—

- (1) In the case of industrial undertakings intending to go into production for the first time or in the case of an existing industrial undertaking intending to go into substantial expansion of the production of existing articles of manufacture, indicate :
 - (i) value of (a) imported plant and machinery required. . . .

APPENDIX 3—Contd.

- (b) indigenous plant and machinery required.
- (ii) value of letter of credit, if, any opened for the import of plant and machinery and the date thereof
- (iii) value of orders placed, if any, for purchase of indigenous plant and machinery
- (iv) Expected date of commencement of production

2. Details regarding industrial licence i.e. its number and date in case of units in the large scale sector and reference number and date of issue of the approval in case of small scale sector as issued specifically for the SEEPZ

3. Capital Investment :

- (a) machinery and equipment (details of machinery to be attached)
- (b) Land and Building or rent of premises with actual built up area.

DECLARATION

1. I/We hereby declare that the goods for the import of which, the application has been made are not meant for use in the manufacture of new articles for which a licence has not been obtained under Industries (Development & Regulations) Act, 1951.

2. I/We hereby declare that if this licence is granted the goods will be utilised only for consumption as raw materials or accessories in our factory and that no portion thereof will be sold to or permitted to be used by any other party.

3. I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation, in addition to any other penalty that the Government may impose having regard to the circumstances of the case if it is found that any of the statements of facts therein are incorrect or false.

Signature

Name in BLOCK letters

Designation

Residential Address

Date

NOTE —Applicants are advised to read the licensing instructions for the current period carefully before filling up the Application Form for import licence.

PART II

*(To be filled in by the Santa Cruz Export Processing Zone Administration in duplicate).

1. Particulars of goods recommended for import :

- (i) Requirements in quantity/number per installed capacity

- (ii) Requirements in value (c.i.f.) as installed capacity

- (iii) Quantity/Number recommended for import

- (iv) Value (c.i.f.) recommended for import

- (v) End-use

2. Whether the applicant is a new or existing unit.

3. Essentiality certified by Department of Electronics vide their letter No.

*Dy. Development Commissioner,
Asstt. Development Commissioner,
for Development Commissioner, SEEPZ.*

*This will be filled in by the SEEPZ administration.

APPLICATION FORM

FORM 'O'

Licensing Period

Unit No.

FORM OF APPLICATION FOR IMPORT OF RAW MATERIALS, COMPONENTS AND SPARE PARTS FOR UNITS LOCATED IN KANDLA FREE TRADE ZONE

1. Particulars of Applicant :

1. Name of the applicant
2. Full postal & telegraphic address

B. Particulars regarding Industrial Unit :—

1. (a) Name of the Industry
- (b) Name of the product and the exact purpose for which the raw material is required (preferably the function served by the raw material in the manufacture of the product should be explained)

2. Description of Goods manufactured

3. Production capacity separately for each store for which different raw materials are desired to be imported

4. Actual production in the Last calendar year

Note.—If there was stoppage of production for any period, indicate the duration of the period and the reasons therefor

5. Estimated production in the next calendar year

APPENDIX 3—Contd.

C. Particulars of applications :

1. Particulars of licences issued and imports effected during the last three years .
2. Particulars of raw materials to be imported :
 1. Serial Number . . .
 2. Full description of the raw materials should be given . . .
3. ITC No. & Part . . .
4. Quantity Weight/Nos. or other appropriate accounting unit . . .
5. Value (c.i.f.) in Rs. . .
6. Stocks (quantity) held by the applicant on the date of the import application whether in his own godown lying with the banks under the produce loans account or anywhere else. . .
7. Expected arrivals (quantity on the opening date of the import licensing policy period in which the application is being made against the licences in hand . . .
 (The information should include material to be received which might have been either in transit or ordered or yet to be ordered against the licences in hand) . . .
8. Quantity and c.i.f. value of imported raw materials/ components consumed during the last three financial years. (Item-wise information to be furnished for each year in respect of major items consumed) . . .
9. Quantity and value (ex-factory price) of the production of and products during the last three financial years. (Information to be furnished for each item of production and for each year separately, for which purpose, the items of production can be classified into broad groups, if necessary) . . .
10. Registration No. allotted to Income tax Verification Certificate or exemption therefrom—Also attach attested or photostat copy of the IVC Regn./Exemption Number . . .

(i) I.V.C. Registration/Exemption Number valid for the licensing period to which the application pertains.

(ii) Previous I. V. C. Registration Exemption Number . . .

11. Treasury Receipt No. and date (Treasury receipt to be attached) : . . .
12. Where shipment is to be effected from a country different from the country in which goods originated full statement of the reasons for the same should be given . . .
13. Is a letter of Authority desired? If so name of the firm in whose favour it is desired . . .

14. Remarks : . . .

D. Spare Parts . . .

CIF value of the Spare Parts to be imported and their description (Please attach Proforma Invoice) . . .

E. General information to be furnished :— . . .

1. Date of establishment of business in India . . .
2. Nature of the concern whether Public or Private Ltd, Partnership or Proprietary or Hindu Undivided Family Concern . . .
3. Name of Directors, Partners, Proprietor or Karta as the case may be . . .
4. Details of branches or associated companies (Names and locations). . .
 (i) In India . . .
 (ii) Abroad . . .
5. Has any application been already made by the applicant for goods covered by this application or any other goods covered by this application or any other goods for the same period in any category. If so, give details . . .
6. Have any branches or associated companies mentioned in (4) or any of the gentlemen named in (3) applied for an import "licence for import of the goods covered by this application or any other goods for the same period? If so give details . . .

APPENDIX 3—Contd.

DECLARATION

1. I/We hereby declare that the goods for the import of which the application has been made are not meant for use in the manufacture of new articles for which a licence has not been obtained under Industries (Development & Regulations) Act, 1951.

2. I/We hereby declare that if this licence is granted the goods will be utilised only for consumption as raw materials or accessories in our factory and that no portion thereof will be sold to or permitted to be used by any other party.

3. I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief I/We understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation in addition to any other penalty that the Government may impose having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Signature

Name in BLOCK letters

Designation

Date..... Residential Address.....

*Note :—*Applicants are advised to read the licensing instructions for the current period carefully before filling up the Application Form for import licence.

FORM 'P'

Form of application for import of goods by Hospitals/Educational Institutions including Medical Colleges.

PART I

(To be filled in by the applicant for use in the licensing office)

Particular of Applicant.

1. Name of the Hospital/Educational Institution.
2. Full Postal address :—
 - (i) House/Shop No.
 - (ii) Name of Street/road.
 - (iii) Name of locality and city.
 - (iv) Name of State.
3. Telegraphic address.

B Particulars of application

1. Registration Number allotted to Income-Tax Verification Certificate or exemption therefrom.
 - (i) I. V. C. Registration/Exemption number valid for the licensing period to which the application pertains.
 - (ii) Previous I.V.C. Registration-Exemption number.
2. Treasury Receipt No. and date (Treasury Receipt) to be attached in original.
3. Licensing period in respect of which application is made
4. Whereshipment is to be effected from a country different from the country in which the goods originated, full statement of reasons for the same should be given.
5. Is a Letter of Authority desired? If so, name of the Firm in whose favour it is desired.

C General Information to be furnished.

1. Date of establishment.
2. Whether the Hospital/Educational Institution is managed by Government or some Corporation/Municipality etc. or Charitable Institutions (to be named); and if managed by Govt. whether it is managed by the Central or State Government.
3. Number of wards and beds in each ward.
4. Particulars of grants, if any received from the Central or State Government or any other body (to be named)
5. An inventory of the major equipment and apparatus available with the applicant (list to be attached)
6. Whether the equipment proposed to be imported is new complete or a major replacement.
7. The department/course/subject etc. or other purpose, if any, for which the stores covered by the application are required.
8. The number of students on rolls.
9. The Post Graduate courses conducted.
10. The number of students undergoing each Post-graduate course.
11. Number of research workers on roll.
12. Subject on which research is conducted.
13. The Customs House where the Import licence, if granted will be registered.
14. Full details of the enclosures attached with the application (every copy of the document should be marked as a true copy and signed beneath by the applicant)

PART II

(To be filled in by the applicant for use by the sponsoring authority and the licensing authority)

1. Justification and need for the equipment proposed to be imported and type of work for which the equipment will be used.
2. Details of similar existing equipment, if available, their detail of purchase, cost and present condition may be indicated.
3. Particulars of goods to be Imported —

I.T.C. S. No.	ITEM	QUANTITY/ NUMBER	VALUE (C.I.F.)
------------------	------	---------------------	-------------------

4. Details of Import licences obtained during the last three licensing periods:—

Licensing Period	Licence No. & date	C.I.F. value	Description of goods	Import effected and utili- sation.
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APPENDIX 3—Contd.

(1) I/We hereby declare that if this licence is granted, the goods will be utilised only in my/our Hospital/Educational Institution and that no portion thereof will be sold to or permitted to be used by any other party.

(2) I We hereby declare, that the above statements are true and correct to the best of my/our knowledge and belief.

I/We fully understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false

Signature

Name in Block letters

Designation

Date..... Residential address.....

PART III

(To be filled in by the sponsoring authority in duplicate)

1. Particulars of goods recommended :—

I.T.C. S. No.	Full particulars of the Goods recommended	Whether the appli- cant is already in possession of simi- lar goods or not.
------------------	--	--

2. Whether D. G. T. D. clearance has been obtained (The No. and date of the reference of D.G.T.D. may be given)

3. In case of items which are being imported by S.T.C. whether the S.T.C. has expressed their inability to supply the material (The No. and date of their letter may be quoted).

Signature of the sponsoring authority

Note:—

The sponsoring authority should ensure that :

(i) indigenous clearance from D. G. T. D. has been obtained before recommending the application. While obtaining indigenous clearance, full description of the machinery and leaflet or other literature, wherever necessary, should be sent in D.G. T.D., New Delhi.

(ii) All the columns of the application have been properly filled in by the applicant. Incomplete application need not be recommended.

FORM 'Q'

FORM OF APPLICATION FOR IMPORT OF SPARE PARTS BY ACTUAL USERS.

A. Particulars of Applicant

1. Name of the applicant. .
2. Full postal address .
 - (i) House/shop No. .
 - (ii) Name of the Street/
Road
 - (iii) Name of locality
 - (iv) Name of State .
3. Telegraphic address .
4. Address of location of
factory .

B. Particulars of application.

1. Registration number allotted to Income-Tax Verification certificate or Exemption therefrom. .

(i) IVC Registration / Exemption Number valid for the licensing period to which the application pertains.

(ii) Previous IVC Registration/Exemption No.

2. Treasury Receipt No. and date (Treasury Receipt to be attached)

3. Licensing period in respect of which application is to be made . . .

4. Is a letter of authority desired ? If so, name of the firm in whose favour it is desired. . . .

5. The Customs House where the import licence, if granted, will be registered.

6. Particulars of import licences obtained during the last two years viz. 1974-75, 1975-76.

Licence No. & date C.I.F. Value Mode of Financing

7. C. I. F. Value of spare parts sought to be imported. . . .

8. Country of shipment. .

9. Particulars of machinery for which spares are to be imported :—

(a) Machinery imported before the year 1970.

(i) Particulars of machinery

(ii) c.i.f. value.

(iii) Country of origin .

APPENDIX 3—Contd.

(b) Machinery imported in or after the year 1970

(i) Particulars of machinery

(ii) C.I.F. value

(iii) Country of origin.

(c) Purchase price of indigenous machinery having imported components

10 Full details of the enclosures attached with the application. (Every copy of the document should be marked as a true copy and signed by the applicant.

I/We hereby declare that the above statement is true and correct to the best of my/our knowledge. If at any time this information is found to be incorrect, the import licence issued will be liable to cancellation without prejudice to any other action to be taken against me/us in this behalf.

Date..... Signature

Name in Block Letters

Designation.....

Residential Address.....

Certificate of Chartered Engineer/Chartered Accountant/Cost Accountant (in practice)

I/We hereby certify that I/we have checked up the particulars given in columns 7, and 10 to 12 above by the party from the records maintained by M/s..... and found the same to be correct.

Date..... Signature of
Chartered Accountant/Cost
Accountant (in practice)/
Chartered Engineer

Name

Address.....

Note:—(1) In the case of industrial undertakings in the Public Sector whether engaged in select or other industries excluding undertakings which are run departmentally by the Central or State Govts this Statement can be certified by an internal auditor of the Company.

(2) Where an application is made on 'repeat' basis in terms of the policy in force, the particulars of machinery in col. 9 need not be given.

APPLICATION FORM

FORM R

FORM OF APPLICATION FOR IMPORT OF GOODS BY CANALISING AGENCIES

1. Name of the applicant with full address.

2. Category under which application is made.

3. Registration No. allotted to Income-tax Verification Certificate or Exemption therefrom.

4. No and date of the Treasury Receipt showing payment of the requisite fees (Treasury Receipt should also be attached.

5. Licensing period in respect of which the application is made.

6. Particulars of goods to be imported:

(a) Description of goods (with ITC Part and S. No.)

(b) Value c.i.f. in rupees.

(c) Country of shipment.

(d) Port of Registration.

7. Financial authorisation for import:

(a) Whether against foreign exchange released by the Ministry of Finance (Dept of Economic Affairs) or any other authority. If so given details. An attested copy of the sanction regarding release of foreign exchange should be attached.

(b) Whether against a Rep Release Order issued by the licensing authority. If so, give dateails. The REP. R. O. to be attached in original.

8. Has any application for item under the same S. No. as mentioned in column 6 already made by the applicant against 7 (a) above ? if so give details.

9. (a) If any subsidiary/split licences are required, give details thereof.

(b) If the subsidiary import licences are to be issued against Release Orders obtained by the actual users with letter of authority in favour of the actual user, please indicate the details of the Release Order and the actual user. Where necessary, the Release Order should be attached or it may be certified that the goods are being sold to the actual users on high seas.

(c) Whether necessary fee for obtaining the subsidiary/split licences has been deposited. Please enclose treasury receipt in original.

10. Any other particulars.

11. Full details of the enclosures attached with the application should be furnished in the statement below (Every copy of the documents should be attested as true copy by a responsible officer of the undertaking).

S. No. Name of the documents.

(1)

(2)

(3)

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation if it is found that any without prejudice to any other action that may be taken in this behalf of the statements or facts therein are incorrect on false. I/we further declare that I/we qualify for an import licence as a canalising agency in respect of goods of description applied for in this application.

Signature

Name in Block letters

Designation

Date.....

Residential address

APPENDIX—3 *Concl.*

FORM 'S'

APPLICATION FOR ALLOTMENT OF IMPORTED RAW MATERIALS BY THE CANALISING AGENCIES DURING 1976—77

1. Name of applicant
2. Full Postal Address
3. Address of location of factory.
4. Name of Industry
5. Name of end-product manufactured.
6. Whether SSI/DGTD/Non-DGTD-non-SSI Unit.
7. Registration No. allotted by the sponsoring authority.
8. Description of raw materials required. (With detailed specification and sizes etc. in case of Steel & Ferro alloy item)
9. Quantity/C.I.F. value of raw materials required.
10. Phased delivery requirement, if any.
11. (i) I/We hereby declare that the goods for the allotment of which this application has been made are meant for use in our own factory at the above mentioned address, for the manufacture of—
(Name of end-product to be indicated)
for which I/We are registered with—
(Name of registration/
sponsoring authority)
registration has not been cancelled nor withdrawn.

- (ii) I/We hereby declare that if goods/raw materials are allocated to us, the same shall be utilised only for consumption as raw materials in our factory for the manufacture of the goods indicated above and no portion thereof will be sold to or permitted to be used by any other party or for any other purpose.
- (iii) I/We certify that the quantity/value asked for is to meet our requirements for a period not exceeding 12 months for 1976-77 (including the quantity, if any, already obtained in 1976-77 under the same arrangement.
- (iv) I/We have not made any separate application for this item to the licensing authority during 1976-77.
- (v) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that the material allocated to me/us on the basis of the statements furnished in this application is liable to confiscation without prejudice to any other action that may be taken under the Imports & Exports (Control) Act 1947, as amended and Orders issued thereunder if it is found that any statement or facts indicated herein are incorrect or false or misleading.
- (vi) I/We have noted the provisions contained in para 289(3) of the Import Trade Control Hand Book of Rules & Procedure 1976-77.
- (vii) I/We have not been debarred under clause 8 of Imports (Control) Order 1955 for 1976-77.
- (viii) I/We fully understand that the allocation of imported material through the canalising agency is made under the import trade control regulations and any violation of the condition on which such materials are released to us or any mis-use of such raw materials will effect the provisions of Imports and Exports (Control) Act, 1947 as amended and orders issued thereunder.

1. Date & Signature.
2. Name in block letters.
3. Residential address.

APPENDIX 4
(Para 102 of Chapter V)
ANNEXURE I

List of Registering Authority

Sl No.	Export Product	Registering Authority
1	2	3
	Engineering goods: stainless steel products; and ship repairing and construction Services.	Engineering Export Promotion Council "World Trade Centre", 14/1B, Ezra Street (3rd Floor), Calcutta-1, and its Regional offices, Commerce Centre (2nd Floor), Tardeo Road, Bombay-34; Sire Mansion, 123, Mount Road, Madras-6; and 'Surya Kiran' 4th Floor, 19, Kasturba Gandhi Marg New Delhi.
2.	Chemicals and Allied Products namely, Glass and Glassware, Ceramics, Paints, Rubber Products including tyres and tubes, Paper and Paper products, including books, journals, periodicals, Safety matches, Fireworks and explosives, Asbestos and cement products, Wood Products.	Chemicals and Allied Products Export Promotion Council, 14/1B, Ezra Street 2nd Floor, Calcutta-1, Regional office Sire Mansion, 123 Mount Road, Madras-6.
2A	Basic Chemicals namely, Drugs, Pharmaceuticals and Fine Chemicals (excluding Medicinal Castor Oil), Dyes, Intermediates, Alcohol and Coal Tar Chemicals, Organic Chemicals, Agro Chemicals, Glycerine, Soaps, Detergents, Cosmetics & Toiletries, Processed Talc, Agarbatti Essential Oils and Crude, Drugs.	Basic Chemicals, Pharmaceuticals and Soap, E. P. Council, Jhansi Caste (4th Floor), 7, Cooperage Road Bombay-400001.
3.	Plastics	Plastics and Linoleum Export Promotion Council, Nyloc House, 4th Floor 252/D II, Dr. A. B. Road Prabha Devi, Bombay-25; and its Regional offices at Sir Mansion, 123, Mount Road, Madras-6 and 14/IV, Ezra Street, Calcutta-1.
4.	Leather and leather goods	Export Promotion Council, at Bombay/Madras/Calcutta/New Delhi.
5.	Sports Goods	Sports Goods Export Promotion Council, 1E/6, Jhandewala Extension, New Delhi-1.

1	2	3
6.	Fish, Fish Products meal and fish	Marine Products Exports Development Authority World Trade Centre, Mahatma Gandhi Road, P. B. No. 1708, Ernakulam, South Cochin-16.
7.	Processed foods other than curry powder and paste.	Processed Foods Exports Promotion Council, R. 15, N. D. S. E. Part II, New Delhi-110049.
8.	Curry powder and paste. Oleo-resins and spice oils.	Spices Export Promotion Council, World Trade Centre, Mahatma Gandhi Road, Ernakulam-6.
9.	Handicrafts, Woollen Carpets, rugs and druggets.	The All India Handicrafts Board, West Block, No. 7, Ramakrishnapuram, New Delhi-22.
10.	Cashew Kernels	Cashew Export Promotion Council World Trade Centre, Mahatma Gandhi Rd., Ernakulam-6.
11.	Tobacco and tobacco products.	Tobacco Board, Guntur, Andhra Pradesh.
12.	Woollen textiles and hosiery etc. and mixed fabrics	Wool and Woollen Export Promotion Council, Churchgate Chambers, 7th Floor 5, New Marine Lines, Bombay-20, and its regional office at Ludhiana.
13.	Coir	Coir Board, Post Box No. 1752, Ernakulam (Kerala).
14.	Cotton textiles	Cotton Textiles Export Promotion Council, Engineering Centre, 5th Floor, 9, Mathew Road, Bombay-4 and Handloom Export Promotion Council, 123 Mount Road, Madras-6.
15.	Ready-made garments (other than of natural silk)	Cotton Textiles Export Promotion Council, Engineering Centre, 5th Floor, 9 Mathew Road, Bombay-400004. Wool and Woollen Export Promotion Council Churchgate Chambers, 7th Floor New Marine Lines, Bombay-400020.
		Handloom Export Promotion Council, 123, Mount Road, Madras.
16.	Natural silk fabrics and garments	Handloom Export Promotion Council, 123, Mount Road Madras-6, Silk and Rayon Export Promotion Council, Resham Bhavan 78, Veer Nariman Road, Bombay-400001.

APPENDIX 4—Contd.

(para 103 of chapter V)

ANNEXURE II A

Form of Application for Registration

To

Dear Sirs

Sub:—Registration under the Import Policy for Registered Exporters

Kindly register us under the above policy as manufacturer exporters/merchant exporters of (the major products covered by the Import policy for registered exporters, exported by the applicant may be mentioned here).

1. (a) Name and address (with telegraphic address and telephone No.) of registered office, head office and branches.
- (b) Whether Proprietary/Partnership concern or Private/Public Limited Company or Co-operative Marketing Society, etc. (Names of Proprietary/Partners/Directors/managing Directors should be furnished with their permanent addresses).
- (c) Names of the associate firms for whom the applicant act as agents in export business.
- (d) Name and address of the applicant's banker.
- (e) Income-tax verification Number and date.
 - (i) Date of establishment of business/factory in India.
 - (ii) Date of commencement of export business.
 - (iii) Capital employed.
2. Whether licensed/registered under the Industries (Development and Regulation) Act, if so, number and date of licence/registration certificate.
3. Whether products manufactured are on approved (DGS&D) rate/running contract I.S.I. certification marked G.T.H. Alipore tested or otherwise quality controlled (specify the scheme of Quality Control applicable)
4. Whether enlisted with D.G.T.D./ State Director of Industries.
5. (a) Details of past export during the last three years, if any, (products for which registration is sought and other products not covered by the scheme should be indicated):—

Year	Description	Quantity/ Unit value	Value	Major countries to which exported
(1)	(2)	(3)	(4)	(5)

(In case where there is no export, a statement of internal sales turnover for the last three years of the items desired to be exported, duly attested by the auditors, should be submitted).

- (b) Details of commitment of future export for the succeeding three years :—

Year	Description of goods to be exported	Quantity	Value
------	-------------------------------------	----------	-------

1	2	3
17. Gem and jewellery	Gem and jewellery Export Promotion Council, D-15 Commerce Centre, 4th Floor Tardeo Road, Bombay-400034.	
18. Cinematograph films (exposed) feature films, documentaries, advertising films.	Export Promotion Authorities at Bombay, Calcutta, Madras and CLA, New Delhi.	
News films and T.V. films	Export Promotion Authorities at Bombay, Calcutta, Madras and C.L.A. New Delhi.	
19. Natural fibre products (other than coir products)	Jute Commissioner, Calcutta.	
20. Non-Cellulosic products	Silk and Rayon Textiles E. P. Council, Resham Bhavan, 78, Veer Nariman Road, Bombay-400001.	
21. Cellulosic products	Silk and Rayon textiles E. P. Council Resham Bhavan, 78, Veer Nariman Road, Bombay-400001.	
22. Blended products from mixture of cotton/cellulosic fibre or yarn/ Nylon Polyester fibre or yarn.	Silk and Rayon Textiles Export Promotion Council, Resham Bhavan, 78, Veer Nariman Road Bombay-400001.	
23. Vanaspati	Director of Sugar and Vanaspati, Department of Food, Ministry of Food and Agriculture, New Delhi.	
24. Khadi i.e. any cloth woven on Handlooms in India from Cotton, Silk or Woolen Yarn, Hand-spun in India or from a mixture of any two or all of such yarns (including Ready-made garments and other articles made of Khadi).	Khadi and Village Industries Commission, "Gramodaya" 3, Irla Road, Vile Parle (West), Bombay-400056.	
25. Photo types set Films and Micro Films.	Chemicals and Allied Products Export Promotion Council 14/1 B, Ezra Street 2nd Floor, Calcutta-1.	
26. Dewaxed Decolourised lacs.	Shellac Export Promotion Council, Calcutta.	
27. Acrylic knitwear	Wool and woollen Export Promotion Council, Churchgate Chambers, 7th Floor, New Marine Lines Building Bombay-20, OR Silk and Rayon Textile Export Promotion Council, 78, Veer Nariman Road, Bombay-400001.	

NOTES—

- (1) Commissioner for Industries and Handicrafts, Jammu & Kashmir Srinagar. For exporters in the Jammu & Kashmir (para 102 (2))
- (2) Federation of Indian Exporters Organisation Allahabad Bank Building Parliament Street, New Delhi. For Export House (Refer Para 102(3))

APPENDIX 4—Contd.

6. If new to export field state details of any overseas market surveys conducted or of export promotional efforts made.
7. Have any complaints been received in respect of quality/delivery after/sale-services of goods exported in the past and if so, how were they disposed of.
8. If merchant exporter, please indicate what arrangement have been made with manufacturers whose product are to be exported.
9. Export commodities in respect of which registration is sought.
10. Whether the firm is already a registered exporter for some other commodity (If so, give registration number and details thereof).
11. (a) Whether a member of any recognized trade body. If so, give particulars.
(b) Whether firm is registered under the Factories Act, ? If so, registration No. and date.
(c) Whether the firm hold a Corporation or Municipal licence for factory premises for the current year ?
12. Whether a certificate from the applicant banker certifying the financial position is attached.
We hereby solemnly declare the above stated information to be true and correct and undertake without any reservation to :—
(i) abide by the terms of the registration certificate granted to us on all our exports.
(ii) Use the import licences for the purpose for which they are issued and under terms and conditions under which they are issued.
(iii) agree to abide by any code of conduct that may be prescribed by the Registering Authority.
(iv) agree to abide and by export floor conditions that may be stipulated by the registering authority.
(v) Furnish without fail quarterly returns of exports including Nil returns to the registering authority by the 15th day of month following the quarter.

We further understand that our registration is liable to be cancelled in the event of breach of any of the undertakings mentioned above.

Yours faithfully

Name in Block letters.....

Designation

Residential Address

Place.....

Date.....

ANNEXURE—IIB

FORM OF APPLICATION FOR REGISTRATION OF CIVIL ENGINEERING & CONSTRUCTION FIRMS

To

The Regional Officer,
Engineering Export Promotion Council,
Commerce Centre, 2nd Floor,
Tardeo Road,
Bombay-400034.

Dear Sir :

Sub : Registration under the Import Policy for Registered Exporters.

Kindly register us under the above policy as Civil Engineers/Construction firm. Our line of specialisation includes—

1. Name and address (with telegraphic address and telephone No.) of registered office, head office and branches.
2. The year of starting business.
3. Whether proprietary/Partnership concern or Private/Public Limited Company or cooperative Marketing Society etc.
4. Names of Proprietor/Partners/Directors/Managing Directors together with their permanent residential address.
5. Names of associate firms for whom the applicants act as agents in export business.
6. Capital structure of the firm (authorised, issued, subscribed and paid up capital)
7. Name and address of applicant's banker(s) (a certificate from the applicant certifying the financial position should be attached).
8. Income tax verification number and date.
9. Value of Civil Engineering/Construction/work done during the last 5 years (details of work, value etc. to be shown separately for each year. Break-up of work done within and outside India to be shown separately)
10. Broad details of the major construction jobs carried out during the last 5 years (to be shown separately for (a) Barrages and dams (b) Power Houses (Thermal & Hydel) (c) Industrial structures other than (b) above; (d) Roads and bridges; (e) tunnels; (f) Docks & Harbours; (g) Sewerage & Water Supply Systems; (h) Multi-storeyed buildings and townships; (i) Structural steel fabrication and erection jobs.

Sl. No.	Year	Name of work	Value of the work	Name and address of the client for whom work was executed.
1.				
2.				
3.				
4.				
5.				

APPENDIX 4—Contd.

11. Whether the firm is also registered as manufacturing unit for any engg. product. If so, number and date of Licensing/Registration Certificate with the sponsoring authority (DG-TD, DI, Tex, Comm. etc. to be indicated).
12. Details of Technical & Managerial personnel employed by the company (A statement giving details in the following proforma to be attached).

Sl. Name of the No. Officer	Age	Qualification	Experience.
-----------------------------	-----	---------------	-------------

13. List of Plant and Machinery owned by the firm (A statement giving the particulars of the machinery, date of its purchase and present book value to be submitted).

14. Details of commitment/projections for handling export jobs for the succeeding three years :—

Year	Nature of jobs to be undertaken.	Value
------	----------------------------------	-------

15. Details of membership of recognised Trade bodies/Industrial Association.

We hereby solemnly declare the above stated information to be true and correct and undertake without any reservation to :

- abide by the terms of the registration certificate granted to us on all our exports ;
- use the import licences for the purpose for which they are issued and under the terms and conditions under which they are issued ;
- agree to abide by any code of conduct that may be prescribed by the registering authority ;
- agree to abide by any export floor price conditions that may be stipulated by the registering authority ;
- furnish without fail quarterly returns of exports including nil returns to the registering authority by the 15th day of the month following the quarter.

We further understand that our registration is liable to be cancelled in the event of breach of any of the undertakings mentioned above.

Yours faithfully,

Name in Block Letters.....

Designation.....

Residential Address.....

.....
.....

(Para 103 of Chapter V)

ANNEXURE III

Registration-cum-Membership Certificate

PART I

(To be filled in by the applicant)

- Name of applicant.....
- Whether Head Office or a branch.....
- If Head Office, give names of Branches with address....
- Address of applicant :
(i) Postal address.....
(ii) Telegraphic address.....
(iii) Address of factory, if any.....
- (i) Description of goods manufactured (If any).....
(ii) Description of goods expected.....
- Whether merchant exporter or manufacturer-exporter
- Year of establishment of the applicant.....

I/We hereby declare that the above information is correct to the best of our knowledge and belief. I/we also undertake to abide by the conditions subject to which registration/membership is granted.

Signature.....

Name.....
(in block letters)

Designation.....

Date.....

Residential address.....

PART II

- Registration No./Factory No. allotted by the Sponsoring Authority.

(To be filled in by the applicant)

- Description of goods manufactured

Signature of the applicant

To be filled in by the Registering Authority in the Case of DGTD units and sponsoring authority in the case of other units.

Signature of registering Authority
Sponsoring authority.

Name in Block letters.....

Designation.....

Seal.....

APPENDIX 4—Contd.

PART III

(To be signed by the concerned Registering Authority)

This is to certify that the above firm is registered under the Import Policy for Registered Exporters in terms of the provisions in the Import Trade Control Hand Book of Rules and Procedure as per following particulars :—

- (i) Description of goods for which registered.....
- (ii) Date of application for registration.
- (iii) Registration Numbers
- (iv) Manufacturer Exporter or Merchant Exporter.....

This certificate is issued subject to the conditions laid down in the relevant scheme of Registration.

(Signature of Registering Authority)

Name.....

(In block letters)

Designation

Seal

Dated.....

*State clearly whichever is applicable.

Space for endorsement of any amendments in this certificate.

ANNEXURE IV

REGISTRATION-CUM-MEMBERSHIP CERTIFICATE
FOR EXPORTERS OF RAYON TEXTILES

PART I

(To be filled in by the applicant)

- 1. Name of applicant
- 2. Whether head office or a branch.....
- 3. If head office, give name of branches with address.....
- 4. Address of applicant
- (i) Postal Address.....
- (ii) Telegraphic Address
- (iii) Address of factory, if any.
- 5. (i) Description of goods manufactured (if any).....
- (ii) Description of goods exported.
- 6. Whether Merchant Exporter or Manufacturer-Exporter or Processor.....
- 7. Year of Establishment of the applicant.

I/We hereby declare that the above information is correct to the best of my/our knowledge and belief. I/We also undertake to abide by the conditions subject to which registration/membership is granted.

Signature

Name (in block letters)

Designation

Residential Address

Dated.....

PART II

1. Permit No. or Looms/
Warp Knitting machine
/Raschel knitting machine
issued by the office
of the Textile Commis-
sioner together with
number of looms/kni-
ting machines for whi-
ch permit is granted.

2. Description of goods
manufactured....

3. Registration No. allo-
tted by the office of the
Textile Commissioner
as processors of fabrics.

Signature of the Sponsoring
Authority.

.....

Name.....

Designation

SEAL

PART III

(To be signed by the concerned E.P. Council)

This is to certify that the above firm is registered under the import policy for Registered Exporters in terms of the provision in the Import Trade Control Hand Book of Rules and Procedure as per following particulars :—

(i) Description of goods for
which registered

(ii) Date of application for
registration

(iii) Registration Number....

(iv) Manufacturer exporter
or Merchant Exporters

This certificate is issued subject to the conditions laid down in the relevant scheme of Registration.

Signature of E.P. Council

*State clearly whichever is applicable

Name (in block letters)

Date.....Designation

.....SEAL

*Space for endorsement of any amendment in the Certificate.

APPENDIX 4—Contd.

ANNEXURE V

BANK CERTIFICATE OF EXPORTS

(FORM No. 1)

To.....(Name and address of the licensing authority)

We.....(Name and address of the Exporters)
 here by declare that we have forwarded a documentary export bill to.....(Name and
 address of the bank i.e., Branch and City) for collection/negotiation /purchase as per particulars given hereunder:—

Invoice No. & date	Description of goods	Bill of lading/ P.P. Receipt/ Airway Bill No. and date	Destination of goods	Bill amount cif/c&f fob. (in foreign currency).	Rate adopted for con- version of with cif/c&f fob	Bill amount cif/c&f/ fob equi- valent in Indian Rupees (conver- ted rate shown in col. 6) Rs.	Freight amount in Indian Rs. as per Bill of lading/ freight memo Rs.	Insurance amount in Indian Rupees as per Insurance Company's Bill/ receipt Rs.	F.O.B. value in Indian Rupees (Col. 7 minus total of Col. 8 & 9 Rs.	ERI/P.P Form
1	2	3	4	5	6	7	8	9	10	11

We further declare as follows :—

- (i) that the aforesaid particulars are correct and they relate to outright sales and copies of invoices relevant to these exports are attached.
- (ii) that the export has been made by the Head Office/Branch Office of the Limited Company/Registered Exporter; and
- (iii) (a) application for export assistance will be made by the branch office to the above licensing authority under whose jurisdiction it falls;
- (b) application for export assistance will be made by the Head Office of the Limited Company/Registered Office to the above licensing authority under whose jurisdiction it falls.

SIGNATURE OF EXPORTER.

Foreign currency as indicated in the invoice cif, c&f, fob (in respect of invoices made out in Indian Rupees, column 5 & 6 need not be filled in).

Strike out the alternative not applicable.

Bill purchased/negotiated in respect of outright sale : At the authorised dealers on Demand Buying rate prevalent on the date of purchase/ negotiation.

Bills sent for collection (outright sale) : At the authorised dealer's On Demand Buying rate prevalent on the date they send the documents for collection.

Bank's Certificate

Ref. :

Date :

Place :

This is to certify that we have negotiated/purchased/sent for collection the above mentioned documentary export bill drawn by M/s.....for the amount mentioned in Col. 5 above and verified the rate of conversion mentioned in Col. 6. We have also verified the fob value mentioned in Col. 10 above with reference to the following documents :—

- (i) Bill of Lading/P. P. Receipt/Airway Bill
- (ii) Insurance Policy/cover/Insurance receipt.

.....
 (Signature of the Bankers)
 Official Stamp

.....
 (Full address of the Bankers)
 (Branch and City)

APPENDIX 4—Contd.

BANK CERTIFICATE OF EXPORTS

FORM NO: 2

To

(Name and address of the licensing authority).....

We.....(Name and address of the exporters) hereby declare that we had effected the export on consignment basis and have received the proceeds in full there against as per particulars given below :—

Provisional Invoice No. & date	Invoice value in foreign currency	Description of goods	Bill of Lading/ PP Receipt Airway Bill No. & date	Destination of goods	GRI/ PP Form No.	Date of realisation of sale proceeds	Bill amount cif/ c & f fob in foreign currency	Rate adopted for conversion of cif/ c&f/ fob	Bill amount cif/ c&f/ fob in Indian Rupees (converted at rate shown in col 9 Rs.)	Freight amount in Indian Rupees as per Bill of Lading freight memo Rs.	Insurance amount in Indian Rupees as per Insurance Company's Bill/ receipt Rs.	FOB value in Indian Rupees (Col. 10 minus total of Col. 11 & 12 Rs.)
1	2	3	4	5	6	7	8	9	10	11	12	13

We further declare as follows :—

- (i) that the aforesaid particulars are correct and they relate to consignment sales and copies of invoice relevant to these exports are attached ;
- (ii) that the export has been made by the head office/branch office of the limited company/registered exporter; and
- (a) application for export assistance will be made by the branch office to the above licensing authority under whose jurisdiction it falls OR
- (b) application for export assistance will be made by the head office of the limited company/registered office to the above licensing authority under whose jurisdiction it falls.

(SIGNATURE OF THE EXPORTER)

Foreign currency as indicated in the invoice cif, c&f, fob. (in respect of invoices made out in Indian Rupees, column 8 & 9 need not be filled in).

Strike out the alternative not applicable.

The authorised dealer's T/T Buying/On Demand/Buying/Rate, as the case may be, prevalent on the date of realisation.

BANK'S CERTIFICATE

Ref. No.

Date

Place

We confirm that.....(amount) shown in col. 8 (or column 10 in respect of invoices made out in Indian Rupees) has been received by us in an approved manners in respect of the above consignment on.....(Rate). We have verified the fob value as shown in Col. 13 with reference to the following :—

- (i) Bill of Lading/P.P. receipt/Airway Bill
- (ii) Insurance Policy/cover/Insurance Receipt.

.....
(Signature of the Bankers)
Official Stamp

Address the Bankers.....

(Branch and City)

Date of advice of the collecting/remitting Bank abroad.

APPENDIX 4—Contd.

ANNEXURE VI

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
IMPORT TRADE CONTROL
PUBLIC NOTICE NO. 78-ITC/74

New Delhi, the 6th June, 1974

Subject : Procedure for raising debit to the value of licences.

In modification of the provision made in the late Ministry of Foreign Trade Public Notice No. 15-ITC (PN)/72 dated the 28th January 1972 and Public Notice No. 16-ITC (PN)/72 dated the 28th January 1972, it has been decided that the procedure for raising debit to the value of import licences in terms of rupees will be as indicated in this Public Notice.

IMPORT LICENCE FOR CAPITAL GOODS AND HEAVY ELECTRICAL PLANT :

2. While issuing import licences for Capital Goods and Heavy Electrical Plant, the licensing authorities will calculate the value of the goods to be imported as covered by the licence by taking into account the 'exchange rate' notified by the Department of Revenue (Customs) under Section 15 of the Customs Act 1962, and prevailing on the date of issue of the import licence. The said exchange rate will also be separately mentioned by the licensing authority on the body of the licence for the purpose of reference by the customs and the exchange banks. The custom authorities and the authorised dealers in foreign exchange will make debits to the value of the licence at the exchange rate specified by the licensing authority on the import licence.

IMPORT LICENCES FOR RAW MATERIALS, COMPONENTS AND SPARES ISSUED AGAINST FOREIGN CREDITS COVERED BY DIRECT PAYMENT PROCEDURE.

3. The procedures as indicated in paragraph 2 above will also apply to import licences for raw materials, components and spares issued against foreign credits covered by Direct Payment Procedure. These provisions will equally apply to any other licences issued against foreign credits covered by Direct Payment Procedure.

IMPORT REPLENISHMENT LICENCES ISSUED UNDER THE IMPORT POLICY FOR REGISTERED EXPORTERS.

4. For the purpose of REP benefits under the import policy for Registered Exporters the rupee equivalent to the FOB value of exports will be calculated by taking into account the "exchange rate" prevalent on the date of purchase/negotiation of export documents and not at the central rate as hitherto adopted. Bank certificates on the basis of which REP benefits will be determined under the import policy for Registered Exporters will be prepared on the following basis:—

(a) *Bill purchased or negotiated in respect of out-right sale*
The actual amount paid at the authorised dealers' O. D. (on demand) buying rate to the exporter by the authorised dealer against the bill purchased or negotiated.

(b) *Bills sent for collection (out right sale)*
Amount which the authorised dealer would have paid applying the O. D. (on demand) buying rate on the date they send the documents for collection had they purchased/negotiated the bills on that date.

(c) *Exports on consignment basis*
The amount paid by the authorised dealer to the exporters at the authorised T.T. buying/O. D. buying rate as the case may be on the date of realisation of export proceeds....

5. The forms of bank certificate which Registered Exporters will be required to produce are given in the annexures to this Public Notice. These forms will replace the existing forms appearing in Annexure V at pages 213-214 of the Import Trade Control Policy (Red Book-Vol. II) for the period April 1974—March 1975.

6. The custom authorities and the authorised dealers in foreign exchange will debit the REP licences at the exchange rate current at the time of presentation of import documents in accordance with the procedure described in para 8 below

IMPORT LICENCES OTHER THAN THOSE MENTIONED ABOVE :

7. The value of import licences in such cases will be determined in terms of rupees by the licensing authorities in accordance with the import policy in force. Such cases will not involve any conversion of the value of the licence into rupees taking into account the exchange rate prevalent on the date of issue of the licence or on any other date. The custom authorities and the authorised dealers in foreign exchange will debit these licences at the exchange rate current at the time of presentation of import documents in accordance with the prescribed procedures and ensure that the amounts so debited for certain are within the value of the licence except to the extent authorised in para 8.

8. In case of imports against REP licences and 'other' licences referred to in paragraphs 4—7 above, the authorised dealers in foreign exchange and the custom authorities may, in their discretion, condone the excess value, if any, in the manner indicated below:—

- (i) the authorised dealers in foreign exchange may condone the excess, if any, in the licence value at the time of remittance, resulting from a variation between the exchange rate prevalent on the date of opening of the irrevocable Letter of Credit and the exchange rate on the date of actual remittance. If no irrevocable Letter of Credit had been opened, the authorised dealer in foreign exchange may condone the excess, if any, as a result of a variation between the exchange rate prevalent on the date of shipment and the exchange rate on the date of remittance.
- (ii) if the importer produces the Exchange Control copy of the licence the custom authorities may allow clearance of the goods for the value for which remittance has been authorised by foreign exchange dealer by taking into account the condonation on account of variations in exchange rates as indicated in (i) above
- (iii) if the importer does not produce Exchange Control copy of the import licence before the custom authorities, such authorities will debit the exchange rate notified by the Deptt. of Revenue (Customs) under section 15 of the Indian Customs Act 1962 as on the date of shipment indicated on the bill of lading. The excess, if any, in the licence value, resulting from a variation between the exchange rate prevalent on the date of presentation of the Customs Bill of Entry and the exchange rate on the date of shipment, may be condoned by the custom authorities.

9. All import licences issued on or after the date of this Public Notice will be covered by the provision of this Public Notice. Import licences issued before the date of issue of this Public Notice will be governed by the procedure as in force prior to the date of issue of this Public Notice.

Sd/-

(B. D. Kumar),

Chief Controller of Imports & Exports

NOTE:—(1) In case of exports taking place on approval deferred payment terms, the O. D. (on demand) buying rate applicable on the date of the shipping documents are submitted to the authorised dealers for despatch to the overseas buyers, may be adopted for the purpose of para 4 of Public Notice No. 78-ITC (PN)/74 dated 6-6-1974, reproduced above.

(2) Enclosures to the Public Notice, No. 78 ITC(PN)/74 dated 6.6.1974 are given in Annexure-V.

APPENDIX 4—Contd.

Annexure VI (Contd.)

Copy of Ministry of Commerce Public Notice No. 51-ITC(PN)/75 dated 23-6-1975.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
IMPORT TRADE CONTROL

PUBLIC NOTICE NO. 51—ITC(PN)/75

NEW DELHI 23rd JUNE, 1975.

SUBJECT :—Export from India to Poland under the Trade and Payment Agreement.

Attention is invited to the Ministry of Commerce Public Notice No. 14-ITC(PN)/75 dated the 20th February, 1975 regarding imports from Poland under the Trade & Payments Agreement.

2. It has been decided that all contracts and the commercial and financial documents relating to export of goods and services from India to Poland may be expressed either in U.S. Dollars or in Indian Rupees as decided by the concerned exporters. The payments in either case will, however, be effected in non-convertible India rupees. In cases, where the prices are expressed in US Dollars, the US Dollars will be converted into Indian rupees at the dollar/rupee rate prevailing on the date(s) of making payment obtained on the basis of :—

(a) The previous working day's closing middle rate for the dollar in terms of pound sterling in the London Market; and

(b) The middle rate of the Indian commercial bank maintaining the account of Bank Handlowy Warszawia SA for buying and selling Pound Sterling in terms of Indian rupees.

3. It may be clarified that for the purpose of obtaining REP benefits, the Indian exporters will be, as at present, required to produce bank certificate in the prescribed form as provided in Annexure VI at page 241 of the Import Trade Control Policy (Red Book—Vol. II) for the period April 1975-March 1976 as may be amended from time to time.

Sd/-

B.D. KUMAR

CHIEF CONTROLLER OF EXPORTS & IMPORTS

ANNEXURE VII

FORM H

(Para 110 of Chapter V)

FORM OF APPLICATION FOR IMPORT OF GOODS
AGAINST EXPORTS MADE BY REGISTERED EXPORTERS
MERCHANT/MANUFACTURER EXPORTERS
AS WELL AS EXPORT HOUSES :

(Merchant Exporters need not fill Col. 16. Where Registered Exporters make nominations for full entitlement they need not fill columns 19 to 25).

1. Name of the applicant firm
2. Full Postal Address
(i) House/Shop No.
(ii) Name of Street/Road.
(iii) Name of locality and city.
(iv) Name of State
3. Address and location of factory
4. Date of establishment of business in India
5. Nature of the concern, whether Public Company or Private Company, Partnership or Hindu undivided family concern.

6. Names of Directors, Partners' Proprietor or Karta as the case may be.
7. Details of the Head Office/branches or associated companies (Name and Location) :
(i) In India.
(ii) Abroad.
8. (a) No. & date of Registration certificate
(b) Whether applicant is registered as a manufacturer exporter, Merchant exporter or export house.
(c) Date upto which EP registration is valid.
(d) Product or product groups for which registered.
(e) In the case of export house, please give No. & date of Export House Certificate & attach a photostat copy thereof.
9. Registration No. allotted to Income tax Verification Certificate or Exemption therefrom. Also attach attested copy of IVC Registration / Exemption number. If no current IVC No. is held the previous IVC No. may be given (If the application is made to the same licensing authority which issued the IVC Number, an attested copy need not be sent with the application.)
10. No. & Date of Treasury Receipt (Treasury Receipt to be attached)
11. (a) Description of the exported products and the product group to which they belongs
(b) F.O.B. value of product-wise export covered by this application, Rs.
(c) Specify the period during which these exports were made and whether the application is made on quarterly basis or half yearly basis or any other basis specifically agreed to by Government.
(d) The amount of commission or discount paid or payable (at a later date by the exporter) to the foreign agent on the exports covered by the application.
12. Whether any other application against exports covered by the same product group and for same period of exports has been made.

APPENDIX 4—Contd.

13. (a) Whether the exports (as per statement of export enclosed) against which the present application is made have been claimed or are intended to be claimed for any import licence by way of barter or for remittance against Capital Goods or in discharge of any export obligation or for obtaining import licence under any other category.

(b) Particulars of advance licences, if any, obtained against exports covered by this application.

14. Whether the exports have been made on outright sale basis/consignments/approval basis/free replacement.

15. Whether any application for grant of cash assistance has been made against all or any of the exports mentioned in the enclosed statement. If so, please give the reference No. & date of that application.

16. Registration No. allotted to the applicant by the DGTD/State Director of Industries/any other sponsoring authority.

(For export houses only)

17. Names of product group for which certificate has been issued.

18. No. & Date of Export certificate and whether it is valid.

19. CIF value in rupees of the licence(s) applied for.

20. List of items applied for (Five copies of the list to be furnished). Separate sets of lists should be furnished for (i) items sought to be imported from Rupee Payment Area, (ii) items of tools and jigs and equipments and (iii) other items :

Item	Part & S.No.	Country of import	C.I.F. value
------	--------------	-------------------	--------------

21. State the basis on which items of import are claimed viz : on the basis of (a) AU licence (stating AU licence No. & Date and enclosing original or photostat copies thereof)

(b) sponsoring authority's recommendation on prescribed proforma (enclosing the same) (ii) Col. II of Section II of Vol. II of Red Book.

22. C.I.F. value of canalised items if applied.

23. CIF value of other items if desired from stocks of STC/MMTC/SAIL International Limited.

24. Is a letter of authority desired? If so, name of the firms in whose favour it is desired together with details i.e. names of their Directors, Partners, Proprietor etc.

25. The Customs House where the import licence, if granted, will be registered.

26. Full details of enclosures attached with the application.

UNDERTAKINGS/DECLARATION

I/We hereby solemnly undertake/declare :

(i) that no other application for import licence has been made or will be made in future against exports covered by this application except advance licence(s) mentioned against Col. 13(a) ;

(ii) the consignment (s)/parcel(s) have not been returned. If at any time, the exported goods are returned by the consignee or if the sale proceeds in respect of the goods in question or are not realised through an authorised channel within six months from the date of export or such extended period as the Reserve Bank of India may permit, necessary intimation shall be sent to the licensing authority, within one month, thereof, and the value of import licences issued against this application shall be liable to be set off against future import licences due to me/us or to my/our nominees, without prejudice to any other action that may be taken in this behalf. If any amount is paid to the foreign buyer at any time on account of any penalty or damage pertaining to the exports covered by this application, the intimation thereof shall be sent to the licensing authority within one month thereof.

(iii) If as a result of a scrutiny by the licensing authority any excess licensing is found to have been done to me/us or to my/our nominees against this application, the same shall be liable for being adjusted against future licences due to me or to my/our nominees under any category without prejudice to any other action that may be taken in this behalf.

(iv) I/We hereby declare that the particulars and statements made in this application are true to the best of my/our knowledge and nothing has been concealed or held therefrom;

(v) I/We hereby undertake that any licence granted on the basis of this application shall be liable to cancellation or being made ineffective without prejudice to any other action that may be taken in this behalf, if any information furnished in this application is found to be wrong or incorrect or misleading.

(vi) I/We hereby declare that the prices charged for books/journals/periodicals exported were not less than the listed foreign prices minus a discount of not more than 40%. In cases no foreign price was listed, the books/journals/periodicals were exported at a price not less than the listed Indian prices converted into foreign currency at the official exchange rate, minus the usual trade discount not exceeding 40%.

(vii) I/We declare that the figures on the basis of which this application for replenishment licence is made do not include exports of books/journals/periodicals intended for internal use only and prohibited from being exported.

APPENDIX 4—Contd.

(viii) I/We declare that the exports have been made at a price not less than the minimum floor price fixed by the registering authority.

(ix) I/We have not under invoiced or over invoiced our exports.

Signature
Name in Block Letters
Designation
Residential Address.....
.....

Dated :

(To be filled only in the case of nomination)

1. In case nomination has been made, the following particulars should be given :—

Name of the nominee	Fob value of exports for which nomination is made.	Products, materials, components, parts manufactured by nominee(s) on account of which nominated.	Other lines of manufacture of nominee(s)
1.			
2.			
3. etc.			

DECLARATIONS

(i) I/We declare that I/We have not nominated any other person to claim the benefits of the fob value of exports to the extent covered by the nomination made above ;

(ii) I/We declare that the nominee(s) is/are actual user(s) engaged in the manufacture of goods indicated in the above statement.

Signature
Name in Block Letters
Designation
Residential address
.....

Dated :

ANNEXURE VIII

(Para 110 of Chapter V)

List of Licensing Authorities

Name of the licensing Authorities	Jurisdiction
1. Joint Chief Controller of Imports and Exports, Bombay.	Madhya Pradesh and Maharashtra.
2. Joint Chief Controller of Imports and Exports, Calcutta.	Assam, Bihar, Orissa, West Bengal, Nagaland, Manipur, Tripura, Arunachal Pradesh, Andaman and Nicobar Islands and Meghalaya.
3. Joint Chief Controller of Imports and Exports, Madras.	Tamil Nadu, Pondicherry, Karaikal, Mahe and Yanam.
4. Joint Chief Controller of Imports and Exports, Central Licensing Area, New Delhi.	Rajasthan, Punjab, Haryana, Delhi, Himachal and Chandigarh.

5. Dy. Chief Controller of Imports and Exports, Panjim, Goa.

6. Dy. Chief Controller of Imports and Exports, Ernakulam.

7. Dy. Chief Controller of Imports and Exports, Kanpur.

8. Dy. Chief Controller of Imports and Exports, Hyderabad.

9. Dy. Chief Controller of Imports and Exports, Ahmedabad.

10. Dy. Chief Controller of Imports and Exports, Bangalore.

11. Controller of Imports and Exports, Srinagar.

12. Controller of Imports and Exports, New Kandla.

13. Deputy Development Commissioner (Imports & Exports) Santacruz Electronic Export processing zone, Bombay.

ANNEXURE IX

(Para III of Chapter V)

Simplified Form of application for import of goods against Exports made by Established Registered Manufacturer—Exporters or Merchant—Exporters claiming licences in their own name.

(A) Particular of the Applicant

1. Name of the Applicant
2. Full Postal Address
(i) House/Shop No.
(ii) Name of Street/Road
(iii) Name of locality
(iv) Name of State
3. Telegraphic Address
4. Address & location of factory

5. Name of the Industry and the purpose for which the materials/components are required
6. Description of goods manufactured

(B) Particulars of Application.

7. Treasury Receipt No. and date (TR to be attached in original)
8. Registration No. allotted to Income-tax Verification Certificate or Exemption therefrom

APPENDIX 4—Contd.

9. (a) Product Group to which the exported products belong
 (b) FOB Value of exports covered by this application Rs.
 (c) Month during which the exports were made
 (d) The amount of commission or discount paid or payable (at a later date by the exporter) to the foreign agent on the exports covered by the application
10. Whether the exports against which the present application is made have been utilised or are intended to be utilised for claiming any import licence by way of barter or for remittance against capital goods or in discharge of any export obligation or for obtaining import licence under any other category
11. Whether the exports have been made on out right sale-basis/consignment/approval basis.
12. List of items applied for (five copies of the list to be furnished). Separate sets of lists should be furnished for items of tools, jigs, and equipments
- | Item | Pt. S.No. | Country of import | C.I.F. | Value |
|---|-----------|-------------------|--------|-------|
| 13. C.I.F. value of canalised items, if applied for | | | | |
| 14. C.I.F. value of other items, if desired from stocks of STC/MMTC. | | | | |
| 15. (a) Is a Letter of Authority desired? If so, name of the firm in whose favour it is desired | | | | |
| (b) Name of Directors, Partners, Proprietor or Karta as the case may be | | | | |
| 16. The Customs House where the Import, Licence, if granted will be registered | | | | |

UNDERTAKING

I/We hereby solemnly undertake :—

- (i) that no other application for import licence has been made or will be made in future against exports covered by this application ;
- (ii) The consignments/parcels have not been returned. If at any time, the exported goods are returned by the consignee or if the sale proceeds in respect of the goods, in question, are not realised through an authorised channel within six months from the date of export or such extended period as the Reserve Bank of India may permit, necessary intimation shall be sent to the licensing authority, within one month thereof, and the value of import licences issued against this application shall be liable to be set off against future import licences due to or to my/our nominees, without prejudice to any other action that may be taken in this behalf.
- (iii) If, as a result of a scrutiny by the licensing authority at any time, any excess licensing is found to have been done to me/us or to my/our nominees against this application, the same shall be liable for being adjusted against future licences due to me/us or to my/our nominees under any category, without prejudice to any other action that may be taken in his behalf.
- (iv) I/We hereby declare that the particulars and statements made in this application are true to the best of my/our knowledge and nothing has been concealed or held therefrom.
- (v) I/We hereby undertake that any licence granted on the basis of this application shall be liable to cancellation or being made in-effective without prejudice to any other action that may be taken in this behalf, if any information furnished in this application is found to be wrong or incorrect or misleading.
- (vi) I/We have not under invoiced or over invoiced our exports.
- (vii) I/We hereby declare that the prices charged for books/journals/periodicals exported were not less than the listed foreign prices minus a discount of not more than 40%. In cases where no foreign price was listed, the books/journals/periodicals were exported for a price not less than the listed Indian price converted into foreign currency at the official change rate, minus the usual trade discount not exceeding 40%.
- (viii) I/we declare that the figures on the basis of which this application for replenishment licence is made do not include exports of books/journals/periodicals intended for internal use only and prohibited from being exported.
- (ix) I/we declare that the exports have been made at a price not less than the minimum floor price fixed by the registering authority.

Signature

Name in Block Letters

Designation

Residential Address

Date

APPENDIX 4—Contd.

ANNEXURE X

(Para 114 of Chapter V)

BANK CERTIFICATE OF PAYMENTS

This is to certify that the following bills covering exports of.....to foreign countries drawn by M/s.....have been negotiated and proceeds as given below received by us as per exchange control regulations in the approved manner. We also certify that payments thereof have not been received in non-convertible Rupee Account or under any special bilateral trade agreement.

Sl. No.	Invoice No. and Date	Date of Exports	Description of goods exported	Bill of Landing Receipt and/or Airways Bill No. and date	F.O.B. value of goods as declared by the Exporters	Country/ Countries to which exports have been made	Date on which payment was received by the Bank	Date on which the proceeds of foreign exchange were actually credited to the exporter account	In Case of part payments of the Bill, the lot No. of the Invoice against which payments have been received	Amount received in India (in rupees).	GRI/PP Form No. and date
1	2	3	4	5	6	7	8	9	10	11	12

Official Stamp
Signature of Manager.
Authorised Officer of the Bank.

NOTES: (1) The Bank Certificate should be on the Bank's letter head and should bear the Official Stamp of the Bank.

(2) This Certificate will be issued only after the full proceeds of the Bill have been realised, however, in the case of receipt of part payment of a Bill, against lots covered by it, the certificate may be issued.

Date of advice of payment of the collecting/remitting Bank abroad.

ANNEXURE X-A

(Para 114 of Chapter V)

BANK CERTIFICATE OF PAYMENT AGAINST SALE OF CARPETS TO FOREIGN TOURISTS

This is to certify that the payment against the following bills covering C.I.F./C.F./F.O.B. value of Carpets made by M/s.....to the Foreign tourists has been received by us as per exchange control regulations in the approved manner. We also certify that payment thereof has not been received in Non-convertible Rupees Account or under any bilateral Trade Agreement.

Sl. No.	Invoice No. and date	Date of Exports	Description of goods exported	Bill of Landing receipt and or Airway Bill No. & date	Freight charges	Insurance charges	F.O.B. value of goods	Date of Deposit, of the currency in banks draft or cheque as the case may be, in the Bank	Amount received in India (In Rs.)	Date of realisation of payment	GRI/PP Form No. & date
1	2	3	4	5	6	7	8	9	10	11	12

Signature of the Manager,
Authorised Officer of the Bank with
Official Stamp.

NOTE:—1. The Bank Certificate should be on the Bank's letter head and should bear the Official stamp of the Bank.

2. This applies only in the case of personal cheque, drawn by the foreign tourists on foreign Banks.

APPENDIX 4—Contd.

ANNEXURE XI

CHARTERED ACCOUNTANT CERTIFICATE OF EXPORTS

To.....(Name and address of the licensing authority). We.....
(Name and address of the exporter) hereby declare that we have made
 exports under, Equity participation during.....(Licensing period) as per particulars given as
 under :—

Invoice No. and date	Description of Goods	Bill of landing PP receipt/No. and date	Destination of Goods	Bill amount c.i.f./c.& f./ f.o.b.	Freight amount	Insurance amount	F.O.B. Equivalent	G.I.R./P.P form No.
1	2	3	4	5	6	7	8	9

We further declare that the aforesaid particulars are correct and that they relate to exports made under 'Equity Participation'.
 Copies of invoices and other documents relevant to these exports are attached.

(Signature of Exporter)

Ref. No.....
 Date.....
 Place.....

CHARTERED ACCOUNTANT CERTIFICATE

This is to certify that we have checked and verified the above particulars of exports from the books/documents of M/s.....
and found correct.

(Signature of the Chartered Accountant
 Official Stamp.

Full Address.....Regd. No.....

ANNEXURE XII

VOUCHER OF SALE TO FOREIGN TOURISTS

- (i) Name and nationality of the tourist to whom the sale is made
 (ii) Passport Number of the tourist
 (iii) Description of the item sold (specifying materials of which they are made)
 (iv) Sale value in foreign exchange and the rupee equivalent

- (v) Details of the foreign currency and foreign traveller's cheques given by the tourist

Sr. No.....

Signature of the tourist Signature of Dealer Registration Number

NOTE:—Please read condition on the reverse.

- (1) Copy to be delivered to the foreign tourist (White)
 (2) Copy to be sent, alongwith import licence application (Yellow)
 (3) Copy to be retained by the dealer (Pink)

ANNEXURE XIII
(Para 119 of Chapter V)

NAME AND ADDRESS OF THE FIRM

Statement showing particulars of tourist sales effected during the period.....against
 which import licence is being claimed.

Sl. No.	Product sold to tourists (indicate product Group and the S. No. of section to which the product sold belongs)	No. and date of sale voucher/ cash memo/ order.	Description of products sold	F.O.B. value in rupees of the items sold for which replenishment is claimed	Rupees equivalent of the foreign exchange realised in respect of the items on which replenishment is claimed here (figures from B/C)	F.O.B. value on which entitlement is being claimed (This should be lesser of the two value shown in Cols. 5 & 6)	Remarks
1	2	3	4	5	6	7	8

N.B.—(1) Values in column 7 should be totalled.

(2) This statement of particulars should be signed by the applicant signing the application form.

APPENDIX 4—Contd.

(Para 119 of chapter V)

ANNEXURE XIII

Application form for Licence for replenishment of Raw Materials against Export of Gem and Jewellery, Items.

1. Name of applicant
Full Postal Address :—
(i) House/Shop No.
(ii) Name of the Street/
Road
(iii) Name of the Locality
(iv) Name of State
(v) Telegraphic Address
2. Registration No. allotted to
Income-tax Verification Cer-
tificate or exemption there-
from
3. No. and Date of Treasury Re-
ceipt showing payment of
requisite fees (Treasury Re-
ceipt to be attached
4. (a) Whether the application
is preferred on quarterly/
or half yearly basis
(b) The month/quarter for
which the application is
made
(c) The quarter/half year in
which payments were
received in respect of
each consignment
5. (a) Whether the applicant's
name has been registered
for any of the Gem and
jewellery items under
erstwhile E.P. Scheme or
by Gem and Jewellery
Council, if so
(i) the authority by
whom registration
was made
(ii) No. and date of
certificate of Regis-
tration (copy to be
enclosed).
(iii) Date of application
for registration
(b) The date on which the
last application was sub-
mitted preferably with
reference number of I.
T.C. authority to whom
it was made
(c) Classification of these
items under I. T. C. Sche-
dule
6. (a) Items of exports for
which registered.
(b) Classification under I.T.
C. Schedule
7. (a) Full description of raw-
materials to be imported.
(b) Classification under
I.T.C. Schedule part and
Serial No.
- (c) Value (C.I.F.) in Rupees
- (d) Country(s) of Shipment
- (e) Country(s) of origin
- (f) The Customs House
where the import licence,
if granted, will be regis-
tered
8. Category of Exporter (i. e.,
Manufacturer or Merchant).
9. Name and address of the
factory where the im-
ported raw material will
be fabricated for export.
10. Whether applicant has fac-
tory of his own or not, if not,
what are the standing ar-
rangements with the manu-
facturers of the product.
11. Particulars of licences, if
any obtained under any
other Scheme
12. Information to be furnished
in case of application against
past exports
(a) Description of goods
exported (please furnish
Invoices with connected
relevant shipping docu-
ment, etc.)
(b) Real value of the goods
exported as declared be-
fore the Customs au-
thorities
(c) F.O.B. value of payment
received during the prece-
ding quarter (in ru-
pees)
(d) Bank certificate (as per
proforma enclosed with
No. date and the name
of the Bank)
(e) Whether the exports
against which the pre-
sent application is made
have been utilised for
claiming any import li-
cences by way of barter
or for capital goods or
in discharge of any
export obligation or
for import licence under
any other scheme
(f) Whether the exports have
been made on outright
sale/consignment/ appro-
val basis
(g) The amount of commis-
sion or discount paid or
payable (at a later date
by the exporter) to the
foreign agent on the ex-
ports covered by the
application
13. (a) Date of establishment of
business in India.

APPENDIX 4—Contd.

(b) Nature of the concern whether Public or private Ltd. or Partnership or Proprietary or Hindu Undivided Family concern.

(c) Name of Directors, Partners, Proprietor or Karta as the case may be.

(d) Details of branches or associated companies (Name and Locations)

(i) In India

(ii) Abroad

(e) Have any branches or associated companies mentioned in (d) or any of the gentlemen named in (c) applied for an import licence for import of goods falling under the same serial number or sub-item of serial number for the same period if so, give details

(f) Whether the Constitution of the firm has undergone any change after the exports have been effected

14. Full details of the enclosures attached with the application, (every copy of the document should be marked as a true copy and signed beneath by the applicant)

S. No. "Nature of the documents"

(i) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/we fully understand that any licence granted me/us on the basis of the statement furnished is liable to cancellation, in addition to any other penalty that the Government may impose having regard to the circumstances, of the case, if it is found that any of the statements of facts therein are incorrect or false.

DECLARATION

(ii) I/We hereby declare :—

(a) that no other application for import licence has been made or will be made in future to the licensing authority on the basis of the exports covered by this application.

(b) I/We have not under invoiced or over invoiced our exports.

Signature

Name in Block Letters

Designation

Residential Address

Date

ANNEXURE XIV

(Para 120 of Chapter V)

VOUCHER OF SALE TO FOREIGN TOURISTS

Sr. No.

(i) Name and nationality of the tourist to whom the sale is made

(ii) Passport No. of the tourist

(iii) Description of the item(s) sold :

(iv) Sale value in foreign exchange and the rupees equivalent

(v) Details of the foreign currency and foreign currency traveller's cheques given by the Tourist

Signature of the Tourist

Signature of Exporter
Registration Number

Signature and Seal of the Customs

Note:—Please read condition on the reverse.

(1) Copy to be stiched on the passport . (White)

(2) Copy to be delivered to the foreign Tourist (Green)

(3) Copy to be sent alongwith import licence application (Yellow)

(4) Copy to be retained by the Exporter (Pink)

Note:—Articles purchased under this voucher are totally prohibited from being sold gifted or other wise disposed of within the territory of India to any person.

ANNEXURE XV

(Para 122—of Chapter V)

FORM OF APPLICATION FOR GRANT OF ADVANCE LICENCES AGAINST SPECIFIC EXPORT ORDERS BY REGISTERED EXPORTERS

PART—I

PARTICULARS OF APPLICANT :

1. Name of the applicant

2. Full Postal Address:

House/Shop No. . . .
Name of Street/Road. . . .
Name of Locality and city. . . .
Name of State. . . .

3. Name of the Industry:

(i) Address and location of Factory. . . .

(ii) End Products manufactured therein. . . .

4. Date of establishment of business in India. . . .

APPENDIX 4—Contd.

5. Nature of the concern, whether Public Company or Private Ltd. Company, Partnership or Hindu Undivided Family concern.
6. Names of directors, partners, proprietor or Karta as the case may be.
7. Details of Head Office of the applicant firm and its branches or associated companies (Name & Location).
 - (i) India:
 - (ii) Abroad:
8. Registration No. allotted to Income Tax Verification Certificate or Exemption therefrom. Also attach attested copy of IVC Registration/exemption number. If no current IVC number is held, the previous IVC No. may be given. (If the application is made to the same licensing authority which issued the IVC Number, an attested copy need not be sent with the application.)
9. (a) No. and date of Registration Certificate issued by the concerned Export Promotion Council/Commodity Board in the case of export house, also quote the No. and date export house certificate and attach a photostat copy thereof.
 - (b) Date upto which EP registration is valid.
 - (c) Product or product group for which registered.
 - (d) Whether registered as merchant exporter, manufacturer exporter or export house.
10. Whether DGTD or SSI unit. In the case of an export house, give the name(s) of supporting manufacturer(s) to whom the imported material would be given for manufacture of finished goods for execution of the export order and specify whether they are DGTD or SSI unit.
11. Registration No. allotted to the applicant by the Director General Technical Development (in the case of firms borne on the list of DGTD)/ State Directorate of Industries (in the case of SSI Units) or any other authority competent to register a unit as a manufacturer. In the case of an export house, give Registration No. of the supporting manufacturer(s).
12. Treasury Receipt No. and date (Treasury Receipt to be attached in original)

PART—II

1. Particulars of the Export order and mode of Payment from abroad

- (i) Item/Items of Export covered by the Export Order/Orders.
 - (ii) F.O.B.
 - (iii) Name of the foreign buyers and the country of export.
 - (iv) Delivery period of export products covered by the export order.
 - (v) Whether any exports against the export order in question have already been made, if so, indicate the f. o. b. value thereof.
 - (vi) (a) Whether the export order is backed by irrevocable L/C or any advance payment (Please furnish a photostat copy of the Letter of Credit).
- OR
- (b) Whether the export order is on the basis of different mode of payment like sight Draft, D.A.
- Or
- (c) Whether the applicant has entered into an arrangement whereby he would make the payment of the imported material out of the export earnings of the product to be exported.
- OR
- (d) Whether the foreign buyers have agreed to supply the imported materials free of charge on the condition that the same will be exported after processing and finishing.
 - (vii) The amount of commission or discount paid or payable (at a later date by the exporter) to the foreign agent on the export covered by the application.
2. (i) Whether the products to be exported are covered by the Import Policy for Registered Exporters (Please give the reference No. of the export products as indicated in the Red Book).
 - (ii) Import replenishment percentage admissible under the REP against the export order.
3. Particulars regarding value of Licence applied for and previous advance licences.
 - (i) [c.i.f. value of the licence applied for.

APPENDIX 4—Contd.

(ii) Description of the materials sought to be imported (Please indicate the complete description), quantity and c.i.f. value of each item desired to be imported.)

(iii) Past export performance in respect of the export products covered by the export order. (Furnish a statement of exports made during the last 3 years, indicating the fob value and country of exports.)

(iv) Was any advance licence issued in the past?

(v) If so, whether the export obligation against the licences is still outstanding

(vi) If the export obligation either in part or in full remains to be completed, please give the particulars of the same as under :—

(a) Licence number and date.

(b) Name of the licence issuing authority

(c) Licence-wise value of the export obligation fixed.

(d) Time limit allowed for fulfilling the export obligation.

(e) Value of the export obligation already fulfilled against each licence.

(f) Reasons for not fulfilling the export obligation.

4. List of documents enclosed.

DECLARATION

1. I/We hereby declare that if this licence is granted, the goods will be utilised only for consumption as raw materials/components or accessories in our factory and that no portion thereof will be sold or permitted to be used by any other party.

2. I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation, or being made ineffective in addition to any penalty that the Government may impose or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Signature

Name in Block Letters

Designation

Residential Address

Date

14—G—I CC of I&E/76

ANNEXURE XVI

(Para 126 of Chapter V)

Form of application for "Imprest licences"

Licensing period

A. Particulars of the Applicant

1. Name of the Applicant

2. Full Postal Address

(i) House/Shop No.

(ii) Name of Street/Road

(iii) Name of locality

(iv) Name of State

3. Telegraphic Address]

4. Address and location of the factory

5. Name of the Industry and the purpose for which the raw materials/components are required.

6. Description of goods manufactured

B. Particulars of application

7. Treasury Receipt No. and date (TR to be attached in original)

8. Registration No. allotted to Income Tax Verification Certificate or Exemption therefrom

9. F.O.B. value of exports made by the applicant in the preceding year in respect of export products in the specified product groups as per relevant policy (Attach statement as required as per relevant policy)

10. C.I.F. value of import licences received by the applicant under the import policy for registered Exporters during the preceding year whether as a manufacturer against exports of products falling in specified product groups as per relevant policy (Attach statement as required as per relevant policy).

11. List of items applied for import (6 copies of the list to be furnished)

12. (a) Total c.i.f. value applied for

(b) C.I.F. value of canalised items if applied for (Indicate value separately for each item)

13. Is a letter of Authority desired? If so, name of the firm in whose favour it is desired.

APPENDIX 4—Contd.

14. The Custom House where the import licence if granted will be registered.

DECLARATION

I/We hereby declare that the particulars and statement in this application are true to the best of my/our knowledge and nothing has been concealed or withheld therefrom.

I/We hereby undertake that any licence granted on the basis of this application shall be liable to cancellation or being made ineffective without prejudice to any other action that may be taken in this behalf, if any information furnished in this application is found to be wrong or incorrect or misleading.

Signature

Name in Block Letters

Designation

Residential Address

Date

ANNEXURE XVII

(Para 126 of Chapter V)

Proforma of abstract of the Export Contract

1. Name of the Registered Exporter
2. Registration No. & date of issued by the Export Promotion Council/Commodity Board

Overseas buyers' name with whom contract has been executed.	Description of product(s) to be exported	Value of each product(s) to be exported	Details of delivery period	Terms of payment	Date of contract
1	2	3	4	5	6

Signature and stamp of the Constituted Attorney of the registered Exporter.

ANNEXURE XVIII

(Para 127 of Chapter V)

Form of Application for ad-hoc Licences to Technical Consultancy Firms/ Construction Firms

1. Name of the applicant
2. Full Postal Address
 - (i) House/Shop No.
 - (ii) Name of Street/Road
 - (iii) Name of Locality and City
 - (iv) Name of State
3. Telegraphic Address
4. Date of establishment of business in India

5. Nature of the concern, whether Public or Private Ltd., Company, Partnership or Hindu Undivided family concern.

6. Name of Directors, Partners, proprietors or Karta as the case may be

7. Details of Head Office of the applicant firm and its branches or associated companies (Name and Location)
 - (i) In India
 - (ii) Abroad

8. Registration No. allotted to Income Tax Verification Certificate or exemption therefrom

9. Treasury Receipt No. and date (Treasury Receipt to be attached in original)

10. C.I.F. value in rupees of the licence(s) applied for

11. (a) Details of foreign exchange earned during the previous financial year, April-March, on technical consultancy services rendered to clients abroad or for doing construction work abroad (Foreign exchange earned against exports of goods should be excluded, full details of foreign exchange earning through technical consultancy services should be furnished in a separate sheet, item by item. The statement should be supported and the amount of foreign exchange earned certified by the Bank through which such earnings were received into this country)

- (b) The amount of Commission or discount paid or payable (at a later date by the exporter) to the foreign agent on the export covered by the application.

12. List of items applied for (Five copies, of the list to be furnished)— Separate sets of lists should be furnished for

- (i) Iron and Steel items and ferro-alloys.
- (ii) Items sought to be imported from Rupee Payment Area.

APPENDIX 4—Contd.

13. Is a letter of authority desired? If so name of the firm in whose favour it is desired.

14. The Customs House where the import licence, if granted, will be registered.

DECLARATION

We hereby declare—(i) that no other application for import licence has been made or will be made in future to the licensing authority, during the current licensing year; (ii) the statements made in this application are true and correct to the best of our knowledge and behalf; (iii) if the licence is granted the goods will be utilised only in our office and no portion thereof will be sold or permitted to be used by any other party.

We fully understand that any licence granted to us on the basis of this application is liable to cancellation or being made ineffective in addition to any other penalty that the Government may impose or any other action that may be taken having regard to the circumstances of the case, if it is found that any of these statement of facts therein is incorrect or false.

Signature

Name in Block Letters

Designation

Residential Address

Date

ANNEXURE XIX

(Para 126 Chapter V)

FORM OF APPLICATION FOR IMPORT OF MACHINERY

1. Name of applicant . . .

2. Full postal Address . . .

(i) House/Shop No. . .

(ii) Name of Street/Road . .

(iii) Name of Locality . .

(iv) Name of State . .

3. Telegraphic Address . . .

4. Address & Location . . .
factory . . .

5. No. and date of Registration certificate issued to the applicant unit (DGTD/SSI)

6. (i) Description of machinery (Catalogue descriptive literature & Proforma invoice to enclosed)

(ii) I.T.C. No.

7. C.I.F. Value . . .

8. Country of import . . .

9. End use or purpose for which required (i. e. whether for replacement balancing, modernisation or research and development)

10. Products exported & value of replenishment licence admissible.

11. Total C.I.F. value of machinery for which application for import against R.E.P entitlement has already been made in the same licensing period.

12. Remark.

UNDERTAKING

I/We hereby undertake that :—

(a) As a result of grant of import licence for machinery the production will not exceed the capacity for which my/our firm is licensed;

(b) I/We will not take up the production of items for which my/our firm is not licenced.

(c) I/We will first apply for an industrial licence if my/our firm exceeds the limits of small scale unit.

Signature

Name in Block Letters

Designation

Residential Address

Place

Date

ANNEXURE XX

(Para 127 of Chapter V)

Office of the

Proforma to be filled by the Sponsoring Authorities in respect of Additional items recommended under the provision of Section I of Volume II of the Import Trade Control Policy Book for April 1976-March 1977.

1. Name of the Registered Exporter (Merchant-Exporter or Manufacturer Exporter)

2. In case of nomination, name of the nominee manufacturer . . .

3. Description of the Export Products or sub-group product or part, component, material for which he has been nominated.

4. C.I.F. value of the licence claimed or issue.

5. Items recommended for import.

APPENDIX 4—Contd.

Description of Goods	I.T.C. Serial/ Sub-serial No.	Face Value/quantitative restriction, if any
(1)		
(2)		
(3)		
(4)		

- (a) Items indicated at S. No. (s).....are required for manufacture of the exported product:
- (b) Items indicated at So No. (s).....are required for manufacture of the part, component or material used in the manufacture of the exported product for which he has been nominated.
- (c) Items indicated at S. No. (S).....are required in the process of manufacture of the exported product.
- (d) Items indicated at S. (s)are required for use as packing material for the exported product;
- (e) Items indicated S. No. (s).....are required for manufacture of tools required in the process of manufacture of the exported product.

(Strike out whatever is not applicable)

This is to further certify :

- (i) that the items are permissible to the Actual users under the current Import policy in Volume I
- (ii) that the items are permissible to the Actual users on a restricted basis, under the current Import Policy in Volume, I
- (iii) that the items are permissible to the Actual users for Export Production only under the current Import Policy in Volume I

(Strike out whatever is not applicable).

Essentiality of the items is also certified and there is no objection to their import from indigenous angle.

Signature

(Name in Block letters)

Designation

Office

No. _____

Date _____

Place _____

ANNEXURE XXI

Export assistance on supplies made by Indian firms against orders placed by U.N. Organisations for use in their Aid Programmes in India against payment in free foreign exchange and against supplies made by Indian firms in India in respect of IBRD/IDA aided projects in India.

Applications for import replenishment licences pertaining to the above mentioned supply of goods should be made to the Joint Chief Controller of Imports & Exports, Central Licensing Area, Inderprastha Estate, New Delhi accompanied by a treasury challan of Rs. 50/- towards application fees and other prescribed documents.

2. Applications should be made on quarterly or half-yearly basis as laid down in the import policy for Registered Exporters. Applicants registered under the simplified Payment scheme may, however, submit their application on monthly basis.

3. Applicants who participate in such supplies and claim import replenishment benefits should be registered with the respective Export Promotion Council or Commodity Board under the prescribed procedure for registration.

4. Import replenishment licences are normally issued in relation to the fob value of exports. However, for the purpose of such supplies, the value on which import replenishment will be calculated will be the "F. O. B. nearest rail head to the custom's centre/project site" value.

5. Applications should be made in the prescribed form, supported by sale invoice duly authenticated by the project authority.

6. Import replenishment benefits on such supplies will be admissible if the payments for such supplies are made in accordance with the payment procedure for procurement under IBRD/IDA regulations. The registered Exporters supplying the goods should furnish a certificate from the bank or from the concerned project authority to the effect that the supplies have been paid for by them in accordance with the procurement regulations of the concerned aid giving Organisation.

7. The Registered Exporter may also obtain a certificate from the concerned project authority indicating therein details of the orders placed on the supplier on the basis of international competitive bidding in respect of projects financed by IDA/IBRD. This certificate, in original, should be furnished by the Registered Exporter with the first application for the grant of export assistance.

8. In respect of supplies made for the projects financed by IBRD/IDA in India, the Registered Exporter can claim export assistance in accordance with the procedure laid down for the grant of similar assistance where physical exports take place i.e. without waiting for the project authority certifying that the payment has been made in full. However, applications for the grant of export assistance will not be related to the supplies made but to the extent the payment has been made to the Registered Exporter by the project authority. In other words, the supplier should prefer claim on monthly or quarterly or half-yearly basis as the case may be to the extent payment has been received during the relevant period for which the application is made. A certificate in the form appended to this Annexure (Form I) should be furnished along with the application claiming export assistance in the case where the certificate is issued by the project authority concerned. In other cases, the certificate in the form given in Form II to this Annexure should be obtained from the bank and furnished along with the application. If the project authority is not a public sector undertaking or a Government department, the application should be supported by a certificate of the project authority as in Form I as well as a bank certificate as in FORM II. The certificate which the supplier has to produce regarding receipt of full payment is given in FORM III to this Annexure which should be submitted along with the final claim.

9. With each import application, the Registered Exporter should also furnish an undertaking in the form given in FORM IV to this Annexure.

APPENDIX 4—Contd.

10. For determining the rate of import replenishment, the crucial date will be taken as the date of supply which would be treated as the date of export. In the case of registered contracts, the crucial date will be taken in accordance with the procedure for registration of contracts.

11. In the case of supplies made in India against orders placed by U. N. Organisations or other multi-national agencies, the application for import replenishment should be made in the prescribed form supported by the following :—

- (i) invoice of sale of goods to the U. N. Organisation or other multi-national agencies, duly authenticated by the agency concerned.
- (ii) bank certificate in the prescribed proforma as a proof of payment having been received against the supplies in free foreign exchange;
- (iii) a declaration from the applicant in the form given in Form IV to this Annexure ; and
- (iv) a certificate issued by the agency which received the goods in the form given in Form V to this Annexure.

12. Exporters are also advised to consult the various Circulars issued by the Ministry of Commerce from time to time, through Export Promotion Councils concerned

FORM I

Certificate for instalment payment to be issued by the project authorities.

Certified that goods of quantity and value as described below and also in the application have been supplied to us and we have paid the suppliers viz. M/s. a sum of Rs. (in words) (being) percent of the value of goods) against the aforesaid supplies. It is further certified that the supplies have been made in terms of contract secured against global tenders in the project being undertaken by us with the assistance of IBRD/IDA.

Station	Signature
	Name
Date	Designation
	Name of the project
Description, quantity & value of goods supplied.	

Signature
Name
Designation
Name of the Project

FORM II

Certificate for instalment payment to be issued by the Bankers in lieu of the certificate from the project authorities.

Certified that the goods of quantity and value as described below and in the application have been supplied to (name of the ect authority) and the suppliers have been paid n of Rs. (in words) (being) % of the value of the goods) against

the aforesaid supplies. It is further certified that the said supplies have been made in terms of contract secured against global tenders in the project being undertaken by the project authority with the assistance of IBRD/IDA.

Station	Signature
Date	Name
	Designation
	Seal of the Bank

Description, quantity and value of goods supplied.

Signatures
Name
Designation
Seal of the bank

FORM III

Certificate for Final payment to be issued by the project authorities.

Certified that goods of quantity and value as described below and in the application have been supplied to us and we have paid a sum of Rs. (in words) to the suppliers in full and final settlement. We further certify that the supplies have been made in terms of contract secured against global tenders in the project being undertaken by us with the assistance of IBRD/IDA and that the supplies have been accepted by us at site at the prices stated in the invoice.

Station	Signature
Date	Name
	Designation
	Name of the project

Description, quantity and value of goods supplied

Signature
Name
Designation
Name of the project

FORM IV

UNDERTAKING

We M/s. undertake to surrender import entitlement against supplies made to the project (Name of the project) with the assistance of (name of the aid giving agency) if any refund is made by us to the project authorities against the supplies for which the accompanying application has been made.

	Signature
	Name in Block Letters
Station	Designation
Date	Name of applicant firm

APPENDIX 4—Contd.

FORM V

DECLARATION

We hereby declare that the :—

- (a) particulars stated above are correct;
- (b) the goods as mentioned in this application have been supplied to.....in terms of the contracts secured by us;
- (c) the payments against these supplies have been received in free foreign exchange; and
- (d) the supplies have been made at international prices.

	Signature
Station	Name in Block Letters
Date	Designation
	Name of applicant firm

Certificate to be issued by the agency concerned

Certified that goods of the description, quantity and value as given below and in the application have been supplied to us for use in our aid programmes in India and we have paid the suppliers, in full, in free foreign exchange. We further certify that these supplies will not be used for our own purposes but will be used only for the aid programmes in India undertaken by us. We are satisfied that the supplies have been made at international prices.

	Signature
Station	Name
Date	Designation

Description, quantity & value of goods supplied

Signature
Name
Designation

ANNEXURE XXII

Subject : Export Production—Exemption from payment of customs duty on imports against advance licences under the import policy for Registered Exporters.

Attention is invited to the Ministry of Finance (Department of Revenue & Insurance) Notification dated 31st January 1976 as published in the Gazette of India dated 7th February 1976 on the above subject, a copy of which is at Form I to this Annexure.

2. The Duty Exemption Schemes will apply to advance licences issued under the import policy for Registered Exporters in respect of raw materials specified in the aforesaid notification of the Ministry of Finance. The facility will be available to all those cases in which an advance licence for the specified raw materials is claimed in the name of a manufacturer whether he is himself an exporter or has been named by an export house/merchant exporter which received the export order. In the latter case also, although the exports for the execution of the export order may have to be made by the export house/merchant exporter, it will be an obligation on the manufacturer receiving the advance licence to comply with all the conditions of the licence and the Duty Exemption Scheme. This scheme will not apply to cases in which an advance licence is issued in the name of export house or merchant exporter.

3. Applications for advance licences under the Duty Exemption Scheme should be made in the form given in Form II to this Annexure. Applications should be made, in quadruplicate (four copies), two of which should be sent to the Chief Controller of Imports & Exports, Udyog Bhavan, New Delhi (E. P. II Section) and one each to the Directorate General of Technical Development (E. P. Directorate) Udyog Bhavan, New Delhi and the Deputy Secretary (Drawback), Ministry of Finance, Department of Revenue & Insurance, Jeevan Deep Building, Parliament Street, New Delhi.

4. The application should be accompanied by the following :

- (i) A list of raw materials, components and consumables, with quantity and cif value of each item sought to be imported. (Each page of the list should be signed by the Chief Executive of the applicant concern or any other person duly authorised by the applicant in this behalf, and by a Chartered Engineer who is not an employee of the applicant).
- (ii) A certificate in the prescribed form appearing in Form III to this Annexure, duly signed by the Chief Executive of the applicant concern or any other person duly authorised by the applicant in this behalf and by a Chartered Engineer.

5. Applications will be examined by the DGTD from technical angle. They will make their recommendation in the proforma appearing in Form IV to this Annexure. Thereafter, the applications will be considered by the Advance Licensing Committee under the CCI & E, New Delhi. Based on the decision taken, advance licences will be issued by the regional licensing authorities concerned. In such cases, the facility of direct import by a Letter of Authority will be available even in respect of those raw materials covered by the scheme, the import of which is canalised through a public sector agency and for which ordinarily only Release Orders are to be issued under the import policy for Registered Exporters. The licence will be endorsed as "Advance Licence under Duty Exemption Scheme". The licence shall be subject to the condition, *inter alia*, that the goods imported against the licence shall be used exclusively in the execution of the export order in relation to which the licence has been issued and exports made on or after the date of issue of the Duty Exemption Entitlement Certificate only will be taken into account for the discharge of export obligation.

6. After obtaining the advance licence from the licensing authority concerned, the licence-holder will be required to approach the Deputy Secretary (Drawback), Ministry of Finance, Department of Revenue & Insurance, Jeevan Deep Building, Parliament Street, New Delhi for obtaining Duty Exemption Entitlement Certificate as referred to in the Notification issued by the Ministry of Finance and reproduced in Form I to this Annexure.

7. Before clearance of the first consignment against the above import licence, the licensee shall execute an export bond with the licensing authority concerned in a prescribed form. At the time of import, the licence-holder shall submit along with the relevant Bill of Entry, the advance licence and the Duty Exemption Entitlement Certificate, and also make a clear declaration, along with other declarations, in the Bill of Entry that the goods are to be cleared without payment of customs duty under the duty exemption Notification issued by the Ministry of Finance and also give reference to the relative advance licence/Duty Exemption Entitlement Certificate in the said declaration. The customs authority will check this declaration and make endorsement of importation on the Duty Exemption Entitlement Certificate.

8. When the export in discharge of the obligation against the advance licence and the Duty Exemption Entitlement Certificate is made, the exporter shall make a specific declaration in the relevant shipping bill that the export is covered by the duty exemption entitlement certificate, also giving the number and date of the certificate in the declaration. The customs authority will check the declaration and make endorsement of shipment on the Duty Exemption Entitlement Certificate.

APPENDIX 4—*Contd.*

9. After the obligatory exports have been completed, the manufacturer to whom the advance licence was issued will himself check whether the exempted materials have been fully utilised for the manufacture of the resultant product and the corresponding exports of the resultant products have been completed as required under the Duty Exemption Entitlement Certificate. If any quantity of the exempted material has been left unutilised on which customs duty is leviable but for the exemption, the manufacturer shall forthwith pay such duty by submitting a Bill of Entry. Where for some reason or the other, the exports to the extent as specified in the Duty Exemption Entitlement Certificate do not take place, the manufacturer shall pay the duty on the proportionate quantity of exempt material corresponding to the products not exported. He shall also pay the customs duty on any excess material that has been left over after utilisation in the resultant products and completion of all the corresponding exports. The duty shall be paid at the customs house through which exempt materials were imported. These provisions about payment of duty will be without prejudice to any other action that may be taken under the import control regulations for failure to discharge the export obligation.

10. After the Duty Exemption Entitlement Certificate has been returned by the customs house, the manufacturer concerned will complete Parts 'H' & 'I' of the Duty Exemption Entitlement Certificate and satisfy himself that the quantity of exempt materials imported have been fully accounted for either by way of shipment in full of the specified corresponding exports or by way of paying duty leviable but for exemption, and thereafter submit the certificate to the licensing authority concerned for redemption of the export bond.

FORM—I

TO BE PUBLISHED IN PART—II SECTION (iii) OF THE
GAZETTE OF INDIA DATED THE 7TH FEBRUARY, 1976

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Revenue and Insurance)

New Delhi, the 31st January, 1976.

NOTIFICATION

CUSTOMS

G.S.R. In exercise of the powers conferred by sub-section (1) of Section 25 of the Customs Act, 1962 (52 of 1962), read with sub-section (4) of Section 31 of the Finance Act, 1975 (25 of 1975), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts, the goods specified in the First Schedule to this Notification and imported against an Advance Licence issued under the Imports (Control) Order, 1955, being materials required to be imported for the purpose of manufacturing goods for execution of an export order, from the duty of Customs and the auxiliary duty of Customs leviable thereon, subject to the following conditions, namely :—

(a) The materials imported are covered in respect of value, quantity, description, quality and technical characteristics by a duty exemption entitlement certificate;

(b) the importer at the time of clearance of the imported materials, makes a claim in writing to the Collector of Customs for exemption from the duty of customs and the auxiliary duty of customs and execute a bond before such authority as may be approved by the Central Government for complying with the conditions specified in this notification;

(c) the exempt materials shall be used in the manufacture of such resultant products and in such factories as are specified in the duty exemption entitlement certificate;

(d) the exempt materials or any portion thereof shall not be sold or otherwise transferred to any other person, or utilised or permitted to be utilised in any other manner, without the previous permission of the committee;

(e) the goods corresponding to the resultant products in respect of value, quantity, description, quality and technical characteristics are exported within the time specified in the said certificate.

EXPLANATION:—In this notification :—

- (i) "Advance Licence" means a licence issued to a person under the Imports (Control) Order, 1955 in accordance with the relevant Import Trade Control Policy and approved by the Committee for import of materials, components and parts required for production to meet specific export orders;
- (ii) "Committee" means the Inter Departmental Committee as constituted by the Central Government under the Office Memorandum of the Government of India in the Ministry of Commerce No : 1 (3)/66-EAC dated the 26th June, 1967 for the time being in force or as reconstituted by the Central Government from time to time;
- (iii) "duty exemption entitlement certificate" means the certificate granted by the Committee in the form specified in the Second Schedule to this Notification;
- (iv) "exempt materials" means all imported materials covered by the list of materials specified in the duty exemption entitlement certificate and eligible for exemption from duty under this notification;
- (v) "materials" means goods which are raw-materials (whether consumable or not) and includes semis, components and intermediate products used in the manufacture of goods and their packings;
- (vi) "resultant product" means the goods in the manufacture of which exempt materials are to be used.

FIRST SCHEDULE

S.No.	Description of the goods	Item No. in the First Schedule to the Indian Tariff Act, 1934
1	2	3
1.	Transformer Oil	27 (3)
2.	Electrolytic Manganese Dioxide	28
3.	Electro Plating Salts and Brightener	28
4.	Insulating paper	44
5.	Condensor paper	44
6.	Kraft Board	44(4)
7.	Asbestos Manufactures	58(i)
8.	Iron Cement	59
9.	Iron or steel Angle, Channel, beam (not fabricated).	63(2)(a)
10.	Iron and steel (other than alloy tool or special steel) bar and rod.	63(3)
11.	Die blocks	63(3), 63(28), 63(30) or
12.	Iron or steel blooms, billets	68(8)
13.	Iron or steel strips	63(14)
14.	Iron or steel pipes and tubes and fittings thereof	63(18)
15.	Iron or steel plates excluding cast iron plates and stainless steel plates	63(19)
16.	Iron or steel sheets other than high silicon electrical steel sheets and stainless steel sheets.	63(20)
17.	Stainless steel plates, sheets and strips	83(20A)

APPENDIX 4—Contd.

18. Guide rails for cranes and lifts	63(28) or 72(3)	47. Component Parts of Scooters and motor cycles	75(2)
19. Wheel sets for rail wagons and coaches, semifinished or fully finished	63 (28) or 74(3)	48. Component parts of motor vehicles, namely cylinder liners, fuel injection equipment, piston assembly, engine bearings, dash board instruments and crank shafts.	75(9) to 75(12) or 75 (12) (A)
20. Rods or bars or flats of alloy, tool or special steel	63(30)	49. Epoxy resin	82 (3)(a)
21. High silicon Electrical steel sheets	63 (31)	50. Polypropylene	82(3)(a)
22. Copper unwrought, ingots, blooms, slabs, cakes, tiles, blocks, bricks, billets, cathode, blister, bars (electrolytic wire bars)	84(2)	51. Silicon chips/wafers	87
23. Copper pipes and tubes.	64(5)	52. Fibre Glass	87
24. Nickel, pellets, cakes, slabs, anodes, shots, blocks, granules and briquettes.	65(i)	53. Acetylene black	87
25. Lead ingots and pigs	67(3)	54. Asbest fibres	87
26. Zinc unwrought including cakes, bars, blocks, ingots hard or soft slabs and plates.	68(1)	55. Industrial Diamonds.	87
27. Tin Block	69		
28. Tungsten Wire, Molybdenum wire and filament lead-in-wire	70(1) or 73(23)		
29. Crude Antimony	70(2)		
30. Mercury, Platinum, Palladium and Tangsten	70(7)		
31. Component parts of power and industrial boilers	72(3)		
32. Component parts of cement making machinery	72(3)		
33. Component parts of thermal power plants and boilers	72(3)		
34. Component parts of diesel generating sets	72(3)		
35. Component parts of textile machinery	72(3)		
36. Component parts of machine tools namely antifricition bearings and oil seals	72(3)		
37. Component parts of earth moving machinery	72(3) or 75		
38. Component, parts of diesel engines namely crank shafts, bearings, and cylinder blocks.	72(3)		
39. Electrical components of diesel generating sets	72(3) or 73		
40. Component parts of sugar manufacturing and refining machinery	72(25)		
41. Ball Bearings and roller bearings	72(35) to 72(38)		
42. Electrical components of armatures, computerdynamos and filed coils	73		
43. Crystal displays and Metal Oxide semi conductor chips	73 or 87		
44. Components of Wireless reception and transmission apparatus	73 (2), 73 (10), 73 (11) or 73(13)		
45 Electrode carbon Rods for dry Cells	73(7)(b)		
46. P.V.C. separators for batteries	73(7)(b) or 73(15) (b)		

SECOND SCHEDULE

DUTY EXEMPTION ENTITLEMENT CERTIFICATE

(This consists of _____ pages).

Serial No. Date of issue

This is issued in favour of _____

(Importer's name and full address)

Materials imported against Advance Licence No. _____ dated _____ issued by _____ to the above importer and covered by the list of materials specified under Part 'C' of this certificate would be eligible to exemption from import duty subject to the conditions specified in the notification on the subject. The exempt material will be used in the manufacture of the corresponding resultant product as specified under Part 'E' of this Certificate in the factory/factories of the importer specified in Part 'A' of this certificate except in respect of ancillaries to the resultant product which may be manufactured in the factory/factories specified in part 'B' of this certificate.

The importer shall make the corresponding exporters within _____ of the date of issue of this certificate.

A bond in terms of condition (b) of the notification aforesaid for Rs. _____ shall be executed before the customs clearance of the goods.

After completion of exports this certificate shall be produced with endorsements for discharge of the bond. The authority after discharging the bond shall return this certificate to the issuing authority.

Office	Signature
Seal	(Issuing authority)
	Date:

Bond(s) in terms of condition (b) of the notification aforesaid executed on _____ for Rs. (Rupees) and registered under _____ with this office.

Signature
Address
Date:

OFFICE SEAL

PART 'A'

Name and addresses of factories of the holder of this Certificate where the resultant products will be manufactured.

PART 'B'

Names and addresses of the factories where the ancillaries to the resultant product will be manufactured.

APPENDIX 4—Contd.

PART 'C'

LIST OF MATERIALS

S. No.	Description	Quality	Technical characteristics	Limits (Max)		Serial No. of the corresponding resultant products.
				Quantity	C.I.F. value	
1	2	3	4	5	6	7

PART 'D'

EXEMPT MATERIALS

PARTICULARS OF IMPORTS						DUTIES LEVIABLE BUT FOR EXEMPTION			
Sr. No.	Corresponding No. in the list of materials.	B/E No. & date & name of Customs House of Import	Description	Quantity	Value	Item No. in the first Schedule to the Indian Tariff Act.	Rate of duty	Amount of duty involved	Signature of the Customs Officer.
1	2	3	4	5	6	7	8	9	10

PART 'E'

RESULTANT PRODUCT

S. No.	Description	Quality	Technical Characteristics	Qty.	Value	Sr. No. of the corresponding item in the cost of materials.
1	2	3	4	5	6	7

PART 'F'

PARTICULARS OF EXPORTS

Sr. No.	Sr. No. of Corresponding resultant product	Particulars of Shipments			Net weight of the export product.	F.O.B. Value	Signature of the Customs Officer.
		Name of the Custom House of Shipment.	S/B/ No. & Date	Quantity			
1	2	3	4	5	6	7	8

APPENDIX 4—Contd.

PART 'G'

Duties paid on exempt material in respect of which the conditions of the notification are not fulfilled.

S. No.	Date of Payment	Amount of duty	Particulars of duty payment documents	S. No. of exempt material	Endorsement of the Customs Officer.
1	2	3	4	5	6

PART 'H'

CERTIFICATE OF DECLARATION OF UTILISATION

Name _____
 I, Power of Attorney holder of _____
 (Importers) having their factory premises at _____
 in whose favour
 this duty exemption entitlement certificate No. _____
 dated _____ has been issued, have satisfied myself personally that the exempt materials as specified in pages _____ have been used in the factory premises mentioned at pages _____ and in the manner specified in the notification except for item Nos. _____ of quantity, value _____ on which the import duties as required under the notification have been paid (vide details in part 'G').

OFFICE STAMP

Signature

Designation

WITNESS

Address

Date

PART 'I'

We request that bond executed No. _____ may be discharged.

Signature of the

importer _____

Bond No. _____ registered at
 Serial No. _____ dated _____ for Rs. _____
 (Rupees _____) discharged on _____ after having satisfied myself that all the conditions of the above bond have been fulfilled.

Office

Signature:

Seal

Dated :

Designation :

Audited and checked with returns from the Customs House.

Signature :

Designation:

Sd

(C. BHUJANGASWAMY)

Deputy Secretary

NOTIFICATION No. 5 (F. No. 602/33/75-DPK.)

FORM—II

FORM OF APPLICATION FOR GRANT OF ADVANCE LICENCES AGAINST SPECIFIC EXPORT ORDERS BY REGISTERED EXPORTERS UNDER CUSTOMS DUTY EXEMPTION SCHEME.

PART—I

PARTICULARS OF APPLICANT :

1. Name of the applicant :
2. Full Postal Address :
 Name of Street/Road.
 Name of Locality and city
 Name of State
3. Name of the Industry:
 (i) Address and location of Factory.
 (ii) End Products (including byes-products and intermediate products) manufactured therein.
4. Date of establishment of business in India:
5. Nature of the concern, whether Public Company or Private Ltd. company Partnership or Hindu Undivided family concern :
6. Names of Directors, Partners, proprietor or Karta as the case may be :
7. Details of Head Office of the applicant firm and its branches or associated companies (Name & Location).
 (i) India :
 (ii) Abroad :
8. Registration No. allotted to Income Tax Verification Certificate or Exemption Certificate or Exemption Certificate therefrom. Also attach attested or photostat copy of IVC Registration/Exemption number, if no current IVC number is held, the previous IVC No. may be given .
9. No. and date of Registration Certificate issued by the concerned Export Promotion Council/Commodity Board (Photostat copy of the Registration Certificate to be furnished)

APPENDIX 4—Contd.

10. Whether DGTD or SSI Unit

11. Registration No. allotted to the applicant by the Director General Technical Development (in the case of firms borne on the list of DGTD)/State Directorates of Industries (in the case of SSI Units) or any other authority competent to register a unit as a manufacturer.

12. Treasury Receipt No. and date (Treasury Receipt to be attached in original).

PART—II

1. PARTICULARS OF THE EXPORT ORDER AND MODE OF PAYMENT FROM ABROAD.

(i) Resultant Products : viz. Item/Items of Export covered by the Export Order/Orders for which it is considered that imported materials as listed in (3) below exempt from customs duties are essentially required.

Sr. No.	Description	Quality	Tech. Characteristics	Quantity	FOB value per unit of Quantity	Total FOB value	Weight or unit of Qty if other than by weight
1	2	3	4	5	6	7	8

(ii) F.O.B. value

(iii) Name of the foreign buyers and the country of export.

(iv) Delivery period of export products covered by the export order.

(v) Whether any exports against the export order in question have already been made, if so, indicate the f.o.b. value thereof.

(vi) (a) Whether the export order is backed by irrevocable L/C or any advance payment (Please furnish a photostat copy of the letter of Credit).

OR

(b) Whether the export order is on the basis of different mode of payment like sight Draft, D.A.

(c) Whether the applicant has entered into an arrangement whereby he would make the payment of the imported material out of the export earnings of the product to be exported.

OR

(d) Whether the foreign buyers have agreed to supply the imported materials free of charge on the condition that that the same will be exported after processing and finishing.

(vii) The amount of commission or discount paid or payable (at a later date by the exporter) to the foreign agent on the exports covered by the application.

2. (i) Whether the products to be exported are covered by the Import Policy for Registered Exporter (Please give the reference No. of the export products as indicated in the Red Book).

(ii) Import replenishment percentage admissible under the REP against the export order.

(iii) Drawback Schedule Numbers under which the products fall.

(iv) Whether any brand rate has been fixed for this product or applied for. If so, the reference number of the Drawback Director's file.

APPENDIX 4—Contd.

3. Particulars and value of Licence applied for and previous advance licences—

to be imported duty free.

(a) arranged and shown separately for each kind of export product.

(i) Materials required

S. No.	S. No. of the resultant product for which they are required	Description	Quality	Technical Characteristics	Quantity required per unit of resultant product	Total quantity
1	2	3	4	5	6	7

Approx. C.I.F. Value per unit quantity	Total C.I.F. value	Weight or unl of quantity if other than by weight	whether identical material is indigenously available, if so, exfactory price plus Central Excise duty if any	Purpose of requirement Indicate (a) whether contained in the final product or (b) not contained in the final product but rapidly consumed in the manufacturing process or (c) for special kind of packing material)	Additional information regarding (a) and (b) of 12			
					Bye-product if any	Recoverable	wastage	
					Qty.	value	Qty.	value
8	9	10	11	12	13			

(b) S.No.	Arranged material-wise -Description, quality Characteristics	S. Nos. in (a) above which fall under this description	Total qty. required	Total C.I.F. value (Approx)	S. No. & Part No. of ITC	S. No. of I.C.T.	Rate of duties	Total duties from which exemption is asked for
1	2	3	4	5	6	7	8	9

(c) Information for all indigenous materials contained in the final product.

S. No.	S. No. of the resultant product for which they are required	Description	Quality	Tech. characteristics	Quantity required per unit of resultant product	Total quantity required	Weight per unit of quantity other than by weight
1	2	3	4	5	6	7	8

(ii) Past export performance in respect of the export products covered by the export order. (Furnish a statement of exports made during the last 3 years, indicating the fob value and country of exports) . . .

(a) Licence number and date

(b) Name of the licence issuing authority . . .

(c) Licence-wise value of the export obligation fixed.

(iii) Was any advance licence issued in the past

(d) Time limit allowed for fulfilling the export obligation

(iv) If, so, whether the export obligation against the licences is still outstanding . . .

(e) Value of the export obligation already fulfilled against each licence

(v) If the export obligation either in part or in full remains to be completed, please give the particulars of the same as under :—

(f) Reasons for not fulfilling the export obligation

4. List of documents enclosed.

APPENDIX 4—Concl.

DECLARATION

1. I/We hereby declare that if this licence is granted, the goods will be utilised only for consumption as raw-materials/ components or accessories in our factory and that no portion thereof will be sold or permitted to be used by any other party.

2. I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation, or being made ineffective in addition to any penalty that the Government may impose or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Signature _____

Name in Block letters _____

Designation _____

Residential Address _____

Date: _____

FORM III

(To be filled by the Chief Executive of the applicant company and a Chartered Engineer who is not an employee of the Company)

Certification under the Duty Exemption Scheme for import of Raw Materials, Components and Consumables under the Registered Exporters Policy for execution of specific export contracts.

PART—I

On behalf of the applicant company, I hereby certify that the imported raw materials, components and consumables and the quantities and c.i.f. values stated against each as given in the list appended to this application (containing items of total CIF value of Rs. and covering pages) under the Registered Exporters Policy, are actually required for the execution of the specific export contracts for—

_____ against which
this application is being made.
Enclosure: LIST.

SIGNATURE _____

NAME AND
DESIGNATION
OF THE
CHIEF
EXECUTIVE
OR DULY
AUTHORISED
PERSON.

NAME AND
ADDRESS OF
THE COMPANY

SEAL OF THE
COMPANY _____

Place _____

Date _____

NOTE : The description of goods in the list should be clear and specific.

PART—II

(To be filled in by the Chartered Engineer)

I have examined the applicant company's import requirements of raw materials, components and consumables, both as regards their technical description/specifications and the quantity against each item of imports, having due regard to proper technical norms and of consumption and after technical scrutiny of relevant designs and drawings and hereby certify that they are correct in all these respects and are actually required for the execution of the export contracts(s) for—

The list of items covers pages and contains
..... items for a total CIF value of Rs.

SIGNATURE _____

NAME _____

DESIGNATION _____

ADDRESS _____

NAME AND _____

ADDRESS OF _____

THE INSTITUTION _____

UNDER WHICH _____

CHARTERED. _____

REFERENCE AND _____

DATE OF _____

CORPORATE _____

MEMBERSHIP. _____

Place _____

Date _____

The Chartered Engineer signing the certificate should not be an employee of the applicant. In the case of public sector and Government Undertakings, the certificate can be signed by Chartered Engineer even if he is an employee of the applicant Company.

FORM IV

(To be filled by DGTD)

Certification under the Duty Exemption Scheme for import of Raw Materials, Components and Consumables under the Registered Exporters Policy for execution of specific export contracts.

We have examined the import requirements covered by this application in the light of the certification by the applicant company's Chief Executive* duly authorised person and Chartered Engineer. We certify that the materials, components and consumables, and the quantities thereof, as certified by the Chartered Engineer are reasonable and are essential for the production of the equipment/products contracted for exports. We have no objection to their import from indigenous angle

2 We do not recommend the import of the following items :—

SIGNATURE _____

NAME AND _____

DESIGNATION _____

OF THE _____

DEVELOPMENT _____

OFFICER _____

INCHARGE OF _____

THE INDUSTRY _____

IN DGTD _____

Place _____

Date _____

APPENDIX 5

(Vide Para 13 of Chapter II)

Subject ; Registration Scheme—Principles governing allotment of I.V.C. numbers.

The following decisions taken by the Government of India in connection with the production of Income-tax Verification Certificates and the allotment of Registration Numbers and the procedure to be adopted for applying for exemption from the production of such certificates are hereby published for general information.

2. The allotment of both Income-tax Verification Registration Numbers and Exemption Numbers will only be done by the following authorities whose jurisdiction is shown in Annexure III :—

1. Joint Chief Controller of Imports and Exports, 4, Esplanade East, Calcutta.
2. Joint Chief Controller of Imports and Exports, Central Govt. Offices, New Building S.E. Wing, New Marine Lines Church Gate, Bombay.
3. Joint Chief Controller of Imports and Exports, Customs House, Madras.
4. Joint Chief Controller of Imports and Exports, Central Licensing Area, Indra Prastha Bhawan 'A' Wing, New Delhi.
5. Deputy Chief Controller of Imports and Exports, Panjim, (Goa).
6. Deputy Chief Controller of Imports and Exports, Kanpur.
7. Deputy Chief Controller of Imports and Exports, Ernakulam.
8. Deputy Chief Controller of Imports and Exports, Hyderabad.
9. Deputy Chief Controller of Imports and Exports, Ahmedabad.
10. Deputy Chief Controller of Imports and Exports, Bangalore.
11. Controller of Imports and Exports, Srinagar.
12. Controller of Imports and Exports, Rajkot.
13. Controller of Imports and Exports, Visakhapatnam.
14. Controller of Imports and Exports, Pondicherry.
15. Controller of Imports and Exports, Amritsar.
16. Controller of Imports and Exports, Shillong.
17. Controller of Imports and Exports, New Kandla.

3. The prospective applicants for import licences except those mentioned in paragraphs 6 and 14 below should make an application in the form prescribed in Annexure I to this Appendix and present it in duplicate to the proper Income-tax authority (specified in paragraph 4 below) who will then verify the particulars from their records, subscribe the necessary verification certificate on one copy and return it to the applicant so as to enable him to forward the same to one of the officers referred to in the preceding paragraph. The applicant should note that each page of the Income-tax Assessment Certificate should bear the seal and signature of the Income-tax Officer concerned. It is not necessary to obtain a separate number from each licensing authority as for instance, a Registration Number allotted by the Joint Chief Controller of Imports and Exports, Calcutta, will be held valid by the Joint Chief Controller of Imports and Exports, Bombay and *vice versa* and so on. Applicants should quote the I.V.C. Registration number, if any, allotted to them by the import Trade Control Authorities during the last two annual licensing periods.

4. The proper income-tax authorities for the purpose will be the Income-tax Office of the Circle, Ward or District where the applicant is assessed or is assessable to income-tax.

The certificate may also be issued in Bombay and Calcutta by the Headquarters Assistant Commissioners of Income-tax and in Madras and Delhi by the Inspecting Assistant Commissioner of Income-tax.

5. The Registration Number allotted against a complete Income-tax Verification Certificate will be valid for the financial year in which the certificate is issued and for the subsequent three financial years. For instance, on an income-tax officer's certificate issued during the period from April, 1968 to March 1969 the Registration Number would be valid for the financial-years April 1968—March 1969, April 1969—March 1970, April 1970—March 1971 and April 1971—March 1972. For this purpose, a distinct symbol is given on the Registration Number which shows the month as well as the year when its validity expires. It would be in the interest of applicants if Income-tax Verification Numbers are duly obtained by them well in advance of the expiry of the old number. However, in cases of genuine difficulty, the licensing authority may grant a licence even after the expiry of the validity of the I.V.C. No. subject to the condition that the applicant shall produce the valid I.V.C. No. before the end of the licensing period. This concession will be available only for one licensing period.

6. Such Government or Semi-Government institutions as are not liable to income-tax need not apply for either the Registration or Exemption Number and may submit applications for licences without quoting their number.

7. The following classes of applicants are required to obtain exemption numbers and should apply in the prescribed form given in Annexure I to the proper authority as prescribed in Annexure III :—

- (i) Applicants who had no taxable income during any of the previous five years; and
- (ii) Those who are not liable to tax under section 10 to 13 of the Income-tax Act, 1961.
- (iii) Co-operative societies which are not liable to tax under section 81 of the Income-tax Act, 1961.

8. (a)(1) Applicants whose cases are governed by paragraph 7 above, will be required to declare on a stamped affidavit in the form given in Annexure II, before a Magistrate, an Oath Commissioner, Notary Public or an assistant Registrar of High Court the fact that they had no income in the past five years liable to a tax giving the reasons therefor, or that they are exempt from payment of tax under Section 10 to 13 of the Income tax Act, 1961 or they are Co-operative societies which are not liable to tax under section 81 of the Income Tax Act, 1961 as the case may be and present such affidavit along with the application (Annexure I) in duplicate and such other document as have been prescribed to the Income tax Officer concerned. The Income-tax Officer will after satisfying himself of the correctness of the fact stated in the affidavit endorse the appropriate certificates on the application and return the original application except the duplicate. All other documents the affidavits and the duplicate copies of the enclosure mentioned in item 9 of Annexure I will be retained by the Income-tax Officer. The deponent will there upon present the application along with the other prescribed accompaniments to the allotting authority concerned.

(2) Where 'however' an applicant who is (would have been) liable to tax in the status of an individual or Hindu Family has been submitting regularly during the past five years his returns of the total income to the Income-tax Officer but no tax was levied as the income was below taxable limit he need not file any affidavit.

8. (b) Where in case falling under paragraph 7 the applicant is a "Private Limited Company", "Public Limited Company", "Partnership Concern", "Proprietary Concern", "Association

APPENDIX 5—Contd.

of Persons" the applications for exemption number should be accompanied by the following documents :

- (i) Private Limited Companies—IVC/affidavit only from Directors/Shareholders who hold more than 10 per cent of the share company or value of whose holding is Rs. 10,000 or above about their income from all source for the past five years.
- (ii) Public Limited Companies—Incorporation Certificate to prove that this is Public Limited Company.
- (iii) Partnership Concerns and Association of Persons (other than Co-operative Societies)—Income-tax Verification Certificates or affidavits of all partners/members of Association of Persons about their income from all sources for the last five years.
- (iv) Proprietary Concerns—Income-tax, Verification Certificate or Affidavit of the proprietor about his income from all sources for the past five years. [No affidavit need be filed in respect of cases covered by paragraph 8(a)(2).]
- (v) Co-operative Societies—Registration Certificate from Registrar of Co-operative Societies to prove that this is a co-operative society.

9. In the case of the applicant falling under paragraph 7, the authorities mentioned in paragraph 2 above will on production of the application (Annexure 1) duly completed, allot an Exemption Number.

10. In the case of the displaced persons who have been forced to migrate to India from Pakistan and have not completed one calendar year of their residence in India, it would not be necessary to produce the usual affidavit on a stamped paper to the Income-tax Officers. Such persons will instead produce the Refugee Registration Card or the Camp Commandant Certificate before the Income-tax Officer concerned along with the application (in duplicate) in the prescribed form (Annexure I). The Income-tax Officer will dispense with the production of affidavit and after entering such application in his register will endorse on the original a certificate in the usual form incorporating these facts. The original will be returned to the applicant and the duplicate retained by the Income-tax Officer. On presentation of such a complete document, the authority concerned would allot an Exemption Number.

11. The period of validity of Exemption Numbers will be calculated on the same basis as is laid down in respect of Income tax Registration Numbers *vide* paragraph 5 above.

12. All applications for Import licence should get the Registration Numbers (which include Exemption Number also) and quote them in the relevant column of their applications for import licences except as hereinafter provided.

13. In the case of application of import licences, the production of Exemption or Registration Numbers has been dispensed with in the following cases :

- (i) Import of personal belongings of small value.
- (ii) Unsolicited gifts of small values where no exchange remittances are involved.
- (iii) Goods required for actual use in educational or charitable institutions which are exempted from payment of Income-tax.
- (iv) Import of goods by individual for their personal use not connected with trade or manufacture.

14. *Foreign Nationals*—(a) Applicants who are nationals of Tibet, Nepal, or any other adjoining foreign territory are not required to quote any Registration/Exemption Number provided they do not conduct their business in India and the goods imported will be in transit only to the territory where the applicants reside.

(b) Applicants from foreign territories who are conducting their business in India and also those Indians who are conducting business in Nepal, Tibet or any other adjoining foreign territory besides business in India will be required to produce Income-tax Verification Certificate, etc., like other applicants.

(c) Other applicants who claim that they have no office or branch in India should furnish an affidavit to the effect that their firm is constituted of non-Indian nationals, only.

ANNEXURE I

Form of Certificate of Income-tax Assessment to be produced by an Applicant for Import Licence

1. (a) Trade name and address of the assessee (in case of Registration Numbers) the applicant (in case of Exemption Numbers).

(b) Names of branches if any of 1 (a) with their addresses.

2. Name and address of the person making this application and the interest he has in 1 above.

3. Year in which the business was established.

4. Status for purpose of Income-tax assessment :—

(i) Individual.

(ii) Hindu Undivided Family.

(iii) Company.

(iv) Firm.

(v) Association of persons.

5. The Income-tax Circle/Ward/District in which the applicant is assessed to Income-tax.

6. Line or Lines in which the applicant is doing business (by major heads).

7. Permanent Account Number (including the notation below the line) as allotted by the Income-tax authorities to the applicant.

8. (a) Where maximum income-tax paid for during any one of the past five years was :—

(a) Upto Rs. 100.

(b) From Rs. 101 to 249.

(c) From Rs. 250 to 499.

(d) From Rs. 500 to 999.

(e) From Rs. 1,000 to 4,999.

(f) From Rs. 5,000 to 9,999.

(g) From Rs. 10,000 and above.

NOTE.—The above entries may be completed also in the case of firms registered under the Income-tax Act, 1961 with reference to the tax that would be payable if assessed as an unregistered firm.

(b) In case no final assessment has been made it should be stated whether tax paid in advance (or payable) on the basis of return filed under section 139(1), (2) 141 and 212(3) of the Income-tax Act, 1961 was :—

(a) Upto Rs. 100.

(b) From Rs. 101 to 249.

(c) From Rs. 250 to 499.

(d) From Rs. 500 to 999.

(e) From Rs. 1,000 to 4,999.

(f) From Rs. 5,000 to 9,999.

(g) From Rs. 10,000 and above.

APPENDIX 5—Contd.

NOTE.—The above entries may be completed also in the case of firms registered under the "Income tax Act, 1961" with reference to the tax that would be payable if assessed as an unregistered firm.

Please attach a list of :—

- (a) Partners with their addresses, if the concern is a firm.
- (b) Persons with their addresses, if the concern is an association.
- (c) Adult male members, if it is a family concern.
- (d) In the case of Private Limited Companies, the names of all shareholders including the directors with their addresses.
- (e) In case of Public Limited concerns certificate of incorporation to prove that the firm is a Public Limited Company.
- (f) Registration certificate from the Registrar of Co-operative Societies to prove that this is a co-operative society.

10. State the I.V.C. Registration/Exemption number allotted to the applicant by the I. T. C. licensing authorities :—

(i) during the last two licensing periods; and

(ii) during the current licensing period (in case one has already been allotted).

11. Number and date of the application, if any, already, made to the licensing authority for the allotment of I. V. C. number during the current period.

12. I declare that the above mentioned information is correct and complete to the best of my information and belief.

Signature of the applicant/
his authorised agent.

(1) Name in the block letters.....

(2) Full residential address.....

(To be filled by the Income tax Officer)

1. This is case for allotment of Registration Number, I hereby certify that—

A. (i) The assessee Shri/M/s..... has furnished complete verification about all companies in which he is substantially interested and the firms and association of persons in which he is a partner or a member respectively.

(ii) the returns of the income due from the said assessee have been filed.

(iii) the said assessee has paid all tax demands due other than those which have been stayed by competent authority.

(iv) the said assessee has been co-operating with the Department in facilitating the completion of the pending assessments.

B. (i) There is no information before me that the companies in which the said assessee is substantially interested and the firms and association of persons in which he is a partner or member respectively are deliberately not filing in the returns or not paying in the tax demands or not co-operating with the Department in facilitating the completion of the pending assessments.

(ii) There is no information before me that persons having a substantial interest in the applicant company/being members of the applicant association/being partners of the applicant firm are deliberately not filing these returns of income or not paying their tax demands or not co-operating in facilitating the completion of the pending assessments.

The certificate is valid for one year from the date of issue.

2. This is a case for allotment of Exemption Number.

(i) The partners of the firm/members of the association of persons (other than co-operative societies) are either regular tax payers or have filed the prescribed affidavits, the facts stated in which have been verified.

(ii) The Directors of.....which is a Private Limited Company are either regular tax payers or have filed the prescribed affidavits the facts stated in which have been verified.

(iii) M/s.....which is a public Limited Company have filed the incorporation certificate to prove that it is a public limited company.

(iv) Shri.....of.....(which is a proprietary concern) is either a regular tax payer or has filed an affidavit in the prescribed form the facts stated in which have been verified.

* (v) Refugee Registration Card or Camp. Commandants certificate has been examined and duly endorsed by me.

(vi) Shri.....has been submitting his income-tax returns for the past five years in the status of an individual/HUF but no tax was levied as the income was below taxable limit.

(vii)which is a co-operative society has (Name of the Society)..... filed the Registration Certificate from the Registrar of Co-operative Societies to prove that this is a co-operative society.

(viii) Strike out those not applicable.

* (ix) Applicable to those displaced individuals or firms who have entered India within one year from the date of this application.

*This case has been entered in our registers and I have no objection to an Exemption Number being allotted in this case for a period of one year from this date.

(Signature of Income-tax Officer)
Circle/Ward/District
SEAL

ANNEXURE II

Affidavits necessary to be produced by class of applicants falling under paragraph 7 above should contain *inter alia* the following declaration signed by the proprietor, the partners of the firms, members of the H.U.F. or Association or Directors in the case of Private Limited Company applying for the allotment of Exemption Numbers. The person/persons signing the affidavits should also give their name(s) (in block letters) and full residential address(es).

"I/We, Proprietor/Partner/Director/Members of family of association of M/s.....hereby solemnly declare that I/We have no place of income outside India and that my/our income from all sources during the past five years have been below the taxable limit or my/our main source of income during the past five years has been from agriculture which is exempted from payment of tax under section 10 of the Income-tax, 1961. I/We have had no income from any other source liable to be taxed under the said Act."

APPENDIX 5—Contd.

ANNEXURE III

Area where these Income-tax Officers granting the Income-tax Assessment Certificates are stationed	Authority to whom application for allotment of number should be made.
1	2
1. Delhi, Rajasthan, Himachal Pradesh, Chandigarh and Haryana	Joint Chief Controller of Imports and Exports (Central Licensing Area) Indraprastha Bhavan 'A' Wing, New Delhi.
2. Uttar Pradesh	Deputy Chief Controller of Imports and Exports, 7/194, Swaroop Nagar, Kanpur-3.
3. Jammu and Kashmir	Controller of Imports and Exports, Srinagar.
4. Bihar, Orissa, West Bengal, Tripura, Andaman and Nicobar Islands and Sikkim	Joint Chief Controller of Imports and Exports, 4, Esplanade East, Calcutta.
5. Maharashtra and Madhya Pradesh	Joint Chief Controller Imports and Exports, Central Govt. Offices, New Building, S.E. Wing New Marine Lines, Church Gate, Bombay.
6. Districts of the State of Gujarat which were formerly known as "Saurashtra".	Controller of Imports and Exports, Rajkot.
7. Tamil Nadu	Joint Chief Controller of Imports and Exports, Madras.
8. Kerala State and Lakshadweep	Deputy Chief Controller of Imports and Exports, Ernakulam.
9. Andhra Pradesh (only districts of Godavari East and West, Srikakulam and Visakhapatnam.	Controller of Imports and Exports, Visakhapatnam.

1	2
10. Assam, Manipur and Meghalaya, Arunachal Pradesh & Mizoram.	Controller of Imports and Exports, Shillong.
11. Goa, Daman and Diu and Dadra and Nagar Haveli	Deputy Chief Controller of Imports and Exports, Panjim (Goa).
12. Karnatka State	Deputy Chief Controller of Imports and Exports, Bangalore.
13. Pondicherry, Kariakal, Mahe and Yaman.	Controller of Imports and Exports, Pondicherry.
14. District of the State of Gujarat which were formerly known as Kutch including New Kandla Free Trade Zone but excluding all areas in Saurashtra.	Controller of Imports and Exports, New Kandla.
15. Andhra Pradesh excluding the four districts namely Godavari East and West Srikakulam and Visakhapatnam.	Deputy Chief Controller of Imports and Exports, Hyderabad.
16. Gujrat State excluding those districts of old Bombay State which were formerly known as Saurashtra and Kutch.	Deputy Chief Controller of Imports and Exports, Ahmedabad.
17. Punjab	Controller of Imports and Exports, Amritsar.

APPENDIX 6

(Vide para 22 of Chapter II)

List of IDA Industries

- | | |
|--|--|
| 1. Agriculture Tractors | (iii) Storage batteries |
| 2. Power Tillers | (v) Synthetic rubber |
| 3. Agricultural Discs. | (iv) Synthetic rubber |
| 4. Fertilizers | (v) H. T. Bolts nuts and machine screws |
| 5. Pesticides | (vi) Auto leaf springs and oil springs and |
| 6. Electric Motors (above 1 H. P.) | (vii) Other automobiles ancillaries |
| 7. Power and Distribution transformers switchgears control gears and related components. | 14. Machine tools |
| 8. Electrical steel stampings and laminations | 15. Small tools and cutting tools including grinding wheels and abrasives. |
| 9. Cables and Wires | 16. Ball and roller bearings. |
| 10. Powergenerating equipment | 17. Ferrous Castings and Forgings that is |
| 11. Boilers | (i) Cast Iron and Spun pipes |
| 12. Commercial Vehicles that is— | (ii) Steel castings. |
| (i) Trucks and Buses | (iii) Malleable castings. |
| (ii) Jeeps | (iv) S. G Iron castings. |
| (iii) Three wheelers | (v) C. I. castings. |
| 13. Automotive Ancillaries viz. | (vi) Steel forgings. |
| (i) Engines for commercial vehicles | 18. Textile machinery. |
| (ii) Automobile tyres and tubes | |

APPENDIX 7

(Vide para 29 of Chapter III)

QUOTA CERTIFICATE NO.

I.C.C.I.&E., New Delhi.

2. J.C.C.I.&E., Bombay/Calcutta/Madras/CLA. New Delhi
3. D.C.C.I.&E. Ernakulam/Kanpur/Goa/
Hyderabad/Ahmedabad/Bangalore.
4. C.I.&E. Pondicherry/Visakhapatnam/Srinagar/
Rajkot/New Kandla/Shillong.

IMPORT TRADE CONTROL

Certified that Messers.....
..... have
Satisfactory establishment by means of :—

Bills of Entry/Postal declaration and

Customs Duty receipts with relevant invoices and Bank Drafts
.....
in the prescribed form that they imported from.....
all ports in India
at
the port of
goods as per details given below during the financial year 19
19 :—

Description of goods.....	
Serial No. and part of the I.T.C. Schedule.....	
Quantity.....	
Value, (c.i.f.) Rs.....Rupees.....	
(in figures)	(in words)

2. This certificate is issued without prejudice to the right of
the licensing authority to recall for re-examination of docu-
mentary evidence furnished in support of the above imports.

Seal

Controller of Imports & Exports
for C.C. of Imports & Exports
for Jt. C.C. of Imports & Exports
for Dy. C.C. of Imports & Exports

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Score out whichever is not applicable.

Particular of Import Licences Issued against the Quota Certificate

- (i) Licence No.....dated.....
for Rs.....
for the period.....issued.
- (ii) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (iii) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (iv) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (v) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (vi) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (vii) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (viii) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (ix) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (x) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (xi) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (xii) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (xiii) Licence No.....dated.....
for Rs.....for the
period.....issued.
- (xiv) Licence No.....dated.....
for Rs.....for the
period.....issued.

APPENDIX 8

(Vide paras 30, 42 and 46 of Chapter III)

Form of Affidavit

****Form of Affidavit to be produced in cases where the Customs Copy of the Bill of Entry has been lost or misplaced and the Exchange Control Copy thereof or a true copy of the Bill of Entry certified, by the Customs Authorities is produced as evidence of past imports.**

"I/We solemnly declare that the Customs Copy/Exchange Control Copy of the Bill of Entry Cash No..... dated has been lost or misplaced without having been produced for getting licence or the same goods or for some other goods or any purpose to any licensing authority. The exchange Control Copy/Customs Certified Copy of Bills Entry is therefore produced for purpose of calculation of quota. The Customs Copy/Exchange Control Copy of the Bill of Entry in question traced or found later will not be produced in future to obtain a licence for the same goods or some other goods to the same licensing authority or the any other authority.

(Chapter XVII)

(Vide Para 320)

(i) Form of affidavit for obtaining duplicate copies of licences and Customs Clearance Permits which are lost or misplaced.

"I/We hereby solemnly affirm and declare that customs purpose copy/exchange purpose copy/both of licence No..... issued to me/us for the import of from has been lost/misplaced without having been registered with any customs authority and utilised at all/after having been registered with (Customs House)..... and utilised partly. The total amount for which the licence was issued is Rs..... and the total amount for which the original copy/or duplicate copy is if any utilised is Rs..... the duplicate is now required is to cover the balance of Rs..... I/We further solemnly affirm and declare that the said licence has not been cancelled, pledged transferred or handed over by me/us or on my behalf to any other party for any purpose consideration whatsoever and request to cancel the original licence in lieu of which the duplicate copy has been applied for by me/us. I/We agree and undertake to return the original licence if, traced later to the issuing authority for record

(Para 42 of Chapter II)

(ii) Form of affidavit to be produced in cases where the quota certificates issued by the licensing authorities are lost or misplaced.

"I/We hereby solemnly declare that quota Certificate No. dated granted to me/us by C.C.I.& J.C.C.I.&E./DCCI&E/CI&E..... for (S.No.) for Rs..... during the year..... on the basis of past import made during the basic year..... has been lost or misplaced without its being produced before any licensing authority for getting an import of licence for the year the same or any other goods or before the S.T.C. or any other authority for obtaining an allotment of imported goods.

I/We hereby further declare that the said quota certificate has not been cancelled, pledged, transferred or handed over by me/us on or my/or our behalf to any other party, for any purpose/consideration whatsoever and that the original quota certificate if traced later will not be produced in future before any licensing authority to obtain a licence or for allotment of imported goods from S.T.C. or any other authority but will be surrendered to the licensing authority concerned for cancellation. I/We further solemnly declare that to the best of my/our knowledge and belief the said quota certificate was utilised by me/us upto the licensing period.....to.

****This affidavit should be submitted on stamped paper, for the value prescribed in applicants state.**

(Vide para 46 of Chapter III)

CERTIFICATE I

Certified that we.....with Head Office at.....and Branches at.....have for the purpose of imports of.....from.....selected.....as the common basic year and the quota certificate hereto appended is based on previous import in this common basic year.

CERTIFICATE II

Certified that we.....with Head Office at.....and branches at.....have for the purpose of imports of.....from.....selected.....as the common basic year and that we have not yet obtained revised quota certificate based on imports in this common basic year.....

****Not necessary to furnish these certificates on stamped paper**

APPENDIX 9

(Vide Paras 49 and 64 of Chapter III)

DECLARATION

Intimation to licensing authority about the change in the ownership constitution of an established importer's business

1. Name of the business.
2. Address.
3. Name of the branches if any with their address.
4. Nature of the change in the ownership/constitution of the business.
5. Date from which the change has taken place.
6. (a) Original ownership whether
 - (i) Individual
 - (ii) Partnership
 - (iii) Karta of Undivided Hindu Family.
 - (iv) Limited Company.
 - (v) Any other association or body of individual.
- (b) Names of the individuals in the case of (i), (iii) and (v) names of partners in the case of (ii) above and names of Director in the case of (iv) above.
7. (a) New ownership whether
 - (i) Individual
 - (ii) Partnership
 - (iii) Karta of Undivided Hindu Family.
 - (iv) Limited Company.
 - (v) Any other association or body of individuals.
- (b) Names of individual in the case of (i), (ii) and (v) names of partner in the case of (ii) above and names of Director in the case of (iv) above,

I/We do hereby declare that there has been a change in the ownership/constitution of the business carried on in the name of M/s..... as above. There is no change in the name of the business. I/We being the new owner re-constituted concern have the quota of the original concern as a whole. Our case is fully covered by paragraph 49 of the Import Control Hand Book of Rules and Procedures, 1976-77 which we have carefully read.

I/We also declare that I/We have selected common basic year for the calculation of quota in respect of the same or similar items in accordance with paragraph 58 of the Import Trade Control Hand Book of Rules and Procedure, 1976-77.

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief and I/We fully understand that any licence claimed or granted to me/us on the basis of the above statements is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken having regard to the circumstance of the case if it is found that any of the statements or facts therein are incorrect or false.

Signature.....

Name (In Block Letters).....

Full Address.....

NOTE—(1) This declaration should be signed by person who is duly authorised to sign a declaration on behalf of the new owner or the reconstituted concern as the case may be. The person signing the declaration should clearly state the position held by him in the business.

(2) The declaration should be attested by a Notary Public/ Oath Commissioner/1st Class Magistrate.

APPENDIX 10

(Para 54 of Chapter III)

FORM OF APPLICATION FOR RECOGNITION AS ESTABLISHED IMPORTERS AND GRANT OF QUOTA ON CHANGE IN THE OWNERSHIP OF BUSINESS

1. Name of applicant

- (a) Trade or business name.
- (b) Address
- (c) Name of branches, if any with their addresses
- (d) Ownership whether
 - (i) Individual
 - (ii) Partnership
 - (iii) Karta of undivided Hindu family
 - (iv) Limited Company
 - (v) any other association or body of individuals.
- (e) Name of the individuals in case of (i), (iii) and (v) above names of partner in case of (ii) above and names of directors in case of (iv) above

NOTE :—In case of (ii), the partnership deed should be sent with the application

2. (a) Trade or business name and address of the established importers whose quota is sought to be transferred wholly or in part

(b) Names of branches, if any with their address
The details of branches closed in the past may also be furnished.

(c) Whether the established importer in (a) above was

- (i) an individual
- (ii) a partnership
- (iii) a karta of Hindu undivided family in respect of the family business.
- (iv) limited company
- (v) any other association or body of individuals

(d) Names of the individuals in case of (i), (iii) and (v) above names of partners in case of (ii) and names of directors in case of (iv) above.

NOTE :—In case of (ii) the partnership deed should be sent with the application

3. Date in which the business in (2) (a) above was first established.

4. The last transfer if any of quota allowed previously in respect of the business and the number and date of the order allowing such transfer.

5. Mention changes in the ownership of the business due to admission, retirement or death of partners or transfer of business or any other reason whatsoever since 1-4-1951 or date given in item (3) above or the date mentioned if any in item (4) above whichever is latest.

6. Why was no application made for recognition of the change mentioned in (5) above

7. Particulars of licences if any obtained without obtaining recognition of change (i.e. licence number, name of commodity, value of licence, licensing period and licensing authority).

8. Particulars of the quotas sought to be transferred (i.e. number, date and value of quota certificate the name of commodity and the basic year as mentioned therein and the licensing authority).

9. Whether there is any order in force against the said established importer under clause 8 or 8-A of the Imports (Control) Order 1955 or clause 8 or 8A of the Export (Control) Order 1962 suspending issue of licence or debarring him from receiving licences and the number of the date of the order.

10. The share which applicants claim in the quota of the established importer and any reason for the same.

11. List of documents enclosed with the application.

- 1.
- 2.
- 3.
- 4.

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief I/We fully understand that the transfer/division of quota if and when granted to me/us on the basis of statements furnished is liable to cancellation without prejudice to any other action that may be taken against me in this behalf if any of the statements or facts given above are found to be incorrect or false at any stage.

Signature

Name in Block letters.....

Designation

Residential address.....

Date.....

.....

APPENDIX II

(Para 54 of Chapter III)

JURISDICTION OF LICENSING AUTHORITIES FOR
RECOGNITION OF NEWESTABLISHED IMPORTERS
AND GRANT OF QUOTAS

Authority to whom applications for recognition of new established importers and grant of quotas should be made	Jurisdiction
1	2
1. Joint Chief Controller of imports & Exports (Central Licensing Area) Indra Prastha Bhavan 'A' Wing, New Delhi.	States of Himachal Pradesh, Delhi, Rajasthan, Jammu, and Kashmir, Haryana, Chandigarh and Punjab.
2. Joint Chief Controller of imports & Exports 4, Esplanade, East, Calcutta.	States of Assam, Bihar, Orissa, West Bengal, Manipur, Tripura, Sikkim, Andaman, and Nicobar Islands, Meghalaya, Arunachal Pradesh and Mizoram.
3. Joint Chief Controller of imports and Exports Govt. Offices, New Building, S.E. Wing, New Marine Lines Churchgate Bombay.	States of Maharashtra and Madhya Pradesh.

1	2
4. Joint Chief Controller of Imports and Exports Madras	States of Tamil Nadu (excluding Coimbatore District, Pondicherry, Karaikal Mahe and Yanam.
5. Deputy Chief Controller of Imports and Exports, Panjim (Goa)	Goa, Daman Diu and Nagar Haveli.
6. Deputy Chief Controller of Imports and Exports Ernakulam Cochin-II	Kerala States, Coimbatore Dist. of Tamil Nadu State Mangalore Distt. of Karnataka State and Minicoy Islands.
7. Deputy Chief Controller of Imports and Exports, Kanpur,	State of Uttar Pradesh.
8. Deputy Chief Controller of Imports and Exports, Hyderabad.	State of Andhra Pradesh.
9. Deputy Chief Controller of Imports and Exports, Ahmedabad.	Gujarat State.
10. Deputy Chief Controller of Imports and Exports Bangalore.	Karnataka State (excluding Mangalore Distt)

APPENDIX 12

(Para 71 of Chapter IV)
List of Select Industries

1. Iron and Steel Industries engaged in the production of Sponge iron, Pig iron, steel ingots, rolled rerolled steel, steel wires, tin Plates, hardened and tempered steel strips, ferro alloys, ferrous castings, ferrous forgings, structural steels fabrication, steel pipes & tubes and steel wire ropes.
2. Non-ferrous metals and their alloys.
3. Boilers and Steam Generating Plants including spare parts and components thereof.
4. Prime Movers including spare parts & Components thereof.
5. Electrical Equipments including spare parts & components thereof.
 - (i) Equipment for generation, transmission and distribution of electricity, including transformers.
 - (ii) Electrical motors.
 - (iii) Electrical lamps
 - (iv) Electrical furnaces .
 - (v) Electrical cables and wires.
 - (vi) X-ray equipment.
 - (vii) Electronic equipment.
 - (viii) Storage batteries.
 - (ix) Dry Cells.
6. Telecommunications including spare parts & components thereof.
 - (a) Telephones.
 - (b) Telegraph equipment.
 - (c) Wireless communication apparatus.
 - (d) Radio receivers upto Rs. 225/- in value.
 - (e) Teleprinters.
7. Transport Equipment including spare parts & components thereof.
 - (i) Aircraft.
 - (ii) Ships and other vessels drawn by power.
 - (iii) Railway locomotives
 - (iv) Railway rolling stock.
 - (v) Buses, Trucks, Motor-cycles, scooters.
 - (vi) Automobile ancillaries.
 - (vii) Bicycles.
 - (viii) Others, such as fork lift trucks and the like.
8. Industrial Machinery, including ball, roller and taper bearings, speed reduction units, and grinding wheels and abrasives including spare parts & components thereof.
9. Machine Tools, including spare parts and components thereof.
10. Agricultural Machinery and Implements including spare parts & components thereof.
11. Earth Moving Machinery including spare parts & components thereof.
12. Other Mechanical and Engineering Industries including spare parts & components thereof.
 - (a) Hand Tools.
 - (b) Welding electrodes.
 - (c) OTS Cans.
 - (d) Industrial fasteners.
 - (e) Small Tools and cutting tools
13. Commercial and other equipment including spare parts and components thereof.
 - (a) Computers.
 - (b) Typewriters.
 - (c) Sewing Machines and Needles.
 - (d) Hurricane Lanterns.
14. Medical and Surgical Equipment and Appliances including spare parts and components thereof.
15. Industrial Instruments including spare parts & components thereof.
16. Scientific equipment and instruments, nuclear equipments including spare parts & components thereof.
17. Fertilisers (Nitrogenous, Phosphatic and Potassic).
18. Chemicals:
 - (a) Inorganic heavy chemicals.
 - (b) Organic heavy chemicals, including Dyes Intermediates
 - (c) Fine chemicals including photographic chemicals.
 - (d) Synthetic resins and plastics including laminates for industrial use.
 - (e) Paints, varnishes and enamels.
 - (f) Synthetic rubbers.
 - (g) Coke oven by-products.
 - (h) Coal Tar distillation products like naphthalene, anthracene and the like.
 - (i) Explosives including gun powder and safety fuses.
 - (j) Insecticides, fungicides, weedicides and the like
 - (k) Textile auxiliaries.
 - (l) Sizing materials including starch.
 - (m) Synthetic Detergent and acid Slurry
19. Oil exploration production and refining
20. Industrial gases.
21. Dyestuffs.
22. Drugs and Pharmaceuticals.
23. Pulp and paper including paper products File boards
24. Tyres, tubes and tyre cord.
25. Leather and leather goods, including leather footwear.
26. Glass, Glassware sheets and Bhowon glass including Rough Blanks for opthalmic glass.
27. Ceramics :
 - (a) Firebricks.
 - (b) Refractories.
 - (c) Furnace lining bricks and insulators.
28. Cement, including asbestos cement and its products.
29. Graphite electrodes and anodes.
30. Tea.
31. Coffee.
32. Jute Textiles,
33. Cotton Textiles.
34. Cashew.
35. Coir Products.
36. Sugar.
37. Unmanufactured Tobacco

APPENDIX 13

Para 74(2)

Statement showing the details of imported machinery or indigenous machinery

1. Particulars of machinery for which spares are to be imported :—

(a) machinery imported before the year 1970

(i) Particulars of machinery

(ii) c.i.f. value

(iii) country of origin

(b) machinery imported in or after the year 1970

(i) Particulars of machinery

(ii) C.I.F. value

(iii) Country of origin.

(c) Purchase price of indigenous machinery having imported component

2. Full details of the enclosures attached with the application. (Every copy of the document should be marked as a true copy and signed by the applicant.

I/We hereby declare that the above statement is true and correct to the best of my/our knowledge. If at any time this

information is found to be incorrect, the import licence issued will be liable to cancellation without prejudice to any other action to be taken against me/us in this behalf.

Date.....

Signature.....

Name in Block Letters.....

Designation.....

Residential Address.....

*Certificate of Chartered Engineer/Chartered Accountant/
Cost Accountant in practice*

I/We hereby certify that I/we have checked up the particulars of machinery given, in column 1 above, by the party from the records maintained by M/S..... and found the same to be correct.

Date.....

Signature of

Chartered Accountant/Cost Accountant in practice/

Chartered Engineer.....

Name.....

Address.....

NOTE 1

In the case of industrial undertakings in the Public Sector whether engaged in select or other industries excluding undertakings which are run departmentally by the Central or State Government this statement can also be certified by an internal auditor of the company.

APPENDIX 14

Statement Showing consumption of Imported Raw Materials and Components

1. Name of the unit.
2. Name of the Incometax circles where assessed and the circle of the Commissioner of Incometax—
—also the I.T. permanent account No.
3. End-product manufactured.
4. C.I.F. value of imported raw materials/components (excluding spare parts) consumed by the unit —
during the period —
5. Book value of production turned out by the unit during the period of consumption indicated against item 4 above.
6. C.I.F. value of stocks in hand of imported, raw material/component on the first day of the period of consumption mentioned above, if any....
7. C.I.F. value of the stocks in hand of imported raw materials/components on the last day of the period of consumption mentioned in item 4 above.
8. Particulars of import licences/release orders of which the imported material/components has been obtained during the period of the consumption mentioned in item 4 above.

(i) A.U. IMPORT LICENCE :

S. No.	Licensing period	Number & date of licence	Value of licence	C.I.F. value of raw material/components imported during the period of consumption in item 4 above.	C.I.F. value of raw material/components out of 5 consumed during the period of consumption mentioned above	Balance value of raw material/components not yet consumed (Col. 5-Col.6)
1	2	3	4	5	6	7

(ii) A.U. RELEASE ORDERS :

S. No.	Licensing period	Number & date of release order	Value of release order	C.I.F. value of raw material/components procured against release order during the period	C.I.F. value of raw material/components out of 5 consumed during the period	Balance value of raw material/components not yet consumed (Col. 5-Col.6)
1	2	3	4	5	6	7

of consumption in item 4 above

period of consumption mentioned in item 4 above

1	2	3	4	5	6	7
---	---	---	---	---	---	---

iii) REP LICENCES :

S. No.	Licensing period	Number & date of licence	Value of licence	C.I.F. value of raw material/components imported during the period of consumption in item 4 above	C.I.F. value of raw material/components out of 5 consumed during the period of consumption mentioned in item 4 above	Balance value of raw material/components not yet consumed (Col. 5-Col. 6)
1	2	3	4	5	6	7

(iv) REP RELEASE ORDERS :

1	2	3	4	5	6	7
S. No.	Licensing period	Number & date of release order	Value of release order	C.I.F. value of raw material/components procured against release order during the period of consumption in item 4 above	C.I.F. value of raw material/components out of 5 consumed during the period of consumption mentioned in item 4 above	Balance value of raw material/components not yet consumed (Col. 5-Col. 6)

9. Particulars of imported raw material/ components obtained from Export Houses under the policy for Registered—Exporters.

S. No.	Name & address of the Export House from whom imported raw material/ component purchased.	C.I.F. value of the imported raw material/ components purchased during the period of consumption in item 4 above	C.I.F. value of the imported raw material/ components out of Col. 3 consumed during the period of consumption mentioned in item 4 above.	Balance c.i.f. value of raw material/ components not yet consumed (Col. 3-Col. 4)
1	2	3	4	5

NOTE :—(1) Consumption of imported raw materials and components included in this statement should be only of the following :—

- (i) Raw materials and components imported/obtained against applicant's actual users licences/release orders.
- (ii) Raw materials and components imported/obtained against the applicant's REP licence/release orders, whether as manufacturer-exporter or nominee manufacturer.
- (iii) Imported raw materials and components obtained from export houses under the import policy for Registered Exporters.

(3) Consumption of imported raw materials and components in the following cases, should not be included in the statements :—

- (i) Iron & Steel items for which separate import applications are required to be made in terms of the policy contained in Appendix 41.
- (ii) Imported raw materials and components received from the canalising agencies without obtaining release orders from the licensing authorities.
- (iii) Imported raw materials and components purchased locally other than those covered by (iii) of note (1) above.
- (iv) Imported raw materials and components placed in O.G.L.

I/We hereby declare that the information given in this statement is correct. I/We fully understand that any licence/release order issued on the basis of this information will be liable for cancellation, in addition to any other action that may be taken in this behalf, if it is found that any part of the information furnished is incorrect, false or misleading.

Signature of applicant.....

Date..... Full address.....

CERTIFICATE BY THE CHARTERED ACCOUNTANTS

I/We do hereby certify that the information furnished in the above statement showing the consumption of imported raw material and other particulars is correct and complete. I/We have verified this from the Cash Book, Ledger, Production Book, Stock Register and other subsidiary books on which I have put my office seal and signature.

I/We also certify that the applicant unit has been maintaining proper account of consumption in the prescribed form as indicated in Appendix 19 to the Import Trade Control Hand Book of Rules and Procedure, 1976-77.

Signature and seal of Chartered Accountant/Cost Accountant (or sponsoring authority in the case of small scale units.)

Date..... Full Address.....

APPENDIX 15

(Para 76 of Chapter IV)

Name of Sponsoring Authorities

Industry	Sponsoring Authority	Industry	Sponsoring Authority
1. (a) Textile Industry other than Jute, hemp and silk. (b) Textile engineering industry	Textile Commissioner Bombay.	13. Coir Industry	Chairman, Coir Board, Ernakulam.
2. Tea Industry	Chairman, Tea Board, Calcutta.	14. Shipping Industry/Shipping Companies (In respect of sea going vessels). The requirements in respect of inland steam and motorvessels will be certified by the Principal Officer Mercantile Marine Department of the area concerned.	Director General of Shipping Bombay.
3. Coffee Industry	Chairman, Coffee Board Bangalore.	*15A. Fruits and vegetable preservation industry.	Executive Director (Department of Food and Nutrition Board.) Ministry of Agriculture and Irrigation, New Delhi.
4. Sugar Industry	Director (Sugar Technical) Directorate of Sugar and Vanaspati, Ministry of Food, Agriculture, Community Development and Co-operation, New Delhi.	*15B. Cold storages	Agricultural Marketing Adviser, Government of India, Faridabad.
5. Rubber Industry	Chairman Rubber Board Kottayam.	16. Jute and Rope Industry (using sisal or manilla) Jute textile engineering industry and wooden Accessory Industry for Jute mills.	Jute Commissioner, Calcutta.
6. Petroleum Industry	Ministry of Petroleum and Chemicals New Delhi.	17. Mines other than collieries	Controller, Indian Bureau of Mines, Nagpur.
7. Producers of Iron and steel and re-rolling mills, excluding re-rolling mills, etc. which do not require the permission of Iron and Steel controller as per Govt. of India, former Ministry of Steel, mines and fuel (Deptt. of Iron and Steel) notification No. SC (A)-(28)/59 dated the 4th June, 1960.	Iron and steel Controller, Calcutta. NOTE—In the case of integrated Steel Plants in private sector, the sponsoring authority is the Ministry of Steel and Mines.	18. Canning, freezing and other fishery industries.	State Director of Fisheries.
8. Collieries	Coal Controller Calcutta.	19. Pharmaceutical Industry and cosmetics including tooth powder industry	State Drugs Control Authorities (As given in Appendix 18 to this Book).
9. Electricity undertakings	Central Water and Power Commission (Power Wing), Government of India Bikaner House, Shahajahan Road, New Delhi.	20. Salt industry in the private sector.	Salt Commissioner, Jaipur.
10. Silk Industry	Central Silk Board Bombay.	21. Starch Industry	Director General Technical Development.
11. Handloom Industry	State Director of Handlooms.	22. Cardamom plantation	Cardamom Board, Ernakulam.
12. Vanaspati Industry	Director (Vanaspati) Directorate of sugar and vanaspati, Ministry of Food, Agriculture, Community Development and Co-operation (Department of Food) New Delhi.	23. Industries other than those mentioned above	Industries Commissioner or the State Director of Industries as the case may be of the state where the factory is located.

*The actual user should submit his application to the sponsoring authority concerned who will forward the same with his recommendation to the Director General Technical Development.

APPENDIX 16

Para 76(9) Chapter IV

Application for Allotment of Registration Number

- (1) Name of the scheduled industry or industries to which articles of manufacture relate.
 - (2) Name of the Industrial undertaking.
 - (3) Full address of the registered office of the company.
 - (4) Full address of the location of the factory.
 - (5) Licence number/number issued under I (D & R) Act, and date.
 - (6) Sanction letter/letters number issued, number and date.
 - (7) Name of proprietors, partners or Board of Directors and their full address.
 - (8) Any foreign collaborations involved. If so, with whom?
 - (9) Any foreign technician employed, if so number and types of such personnel.
 - (10) Tonnage licensed/sanctioned for production, per annum on single shift basis.
 - (11) Number of shifts allowed under licence/sanctioned.
 - (12) Capacity actually installed out of licensed/sanctioned capacity.
 - (13) Reason for non-installations of balance capacity and when expected to be installed or reasons for excess capacity where applicable.
 - (14) Names of articles not manufactured and production capacity per annum against each such article with details e.g. gauges, quantities etc.
- (In the case of units which have not yet started production)
- (1) Whether land acquired for factory.
 - (2) Progress made in the construction of factory and installation of plant and machinery.
 - (3) Progress made in getting supply of water and power.
 - (4) What percentage in value of total requirement of capital equipment has been
 - (a) ordered and received.
 - (b) ordered and not yet received.
 - (5) Expected date of commencement of production.
- I/We hereby declare that the facts/statements given above are true and correct to the best of my/our knowledge and belief. I/We fully understand that any "registration" number claimed or granted to me/us on the basis of above facts/statements is liable to cancellation in addition to any other action that may be taken having regard to the circumstances of the case, if it is found that any of the statements or facts therein are incorrect or false.

(Signature of applicant)

Name in Block letters

Date Full address.

APPENDIX 17

(Para 78 of Chapter IV)

LIST OF INDUSTRIES

(Actually units engaged in these industries with capital investment upto Rs. 15.00 lakhs will be treated as S.S.I. unit).

1. Industrial machinery.
2. Agricultural and earth moving machinery.
3. Machine tools.
4. Industrial, scientific and mathematical instruments (mechanical).
5. Locomotives and rolling stocks, ships and aircrafts.
6. Bicycles.
7. Boilers and steam-generating plants.
8. Steam engines, turbine and internal combustion engines.
9. Automobiles.
10. Commercial office and household equipment.
11. Electrical machinery, equipment and appliances.

12. Tele/communications equipment.
13. Industrial instruments (electricals)
14. Radios and electronics equipment.
15. Air conditioners and cold storage equipment including refrigerators.
16. Mineral oil and petroleum industries.

NOTE—In regard to item No. 11 viz. electrical machinery, equipment & appliances emphasis should be mainly on electrical machinery rather than on appliances, which would cover also those of consumer type, scope for the development of which is somewhat limited at present.

In regard to item No. 16 viz. mineral oil & Petroleum industries only such small scale units which serve as ancillaries to large scale unit engaged in the manufacture of the equipment for the marketing of the refined petroleum products, should be encouraged.

Note : Please see Appendix 39 to this book.

APPENDIX 18

(para 79 of Chapter IV)

LIST OF STATE DRUGS CONTROL AUTHORITIES

Sl. State No.	Authorities	Sl. State No.	Authorities
1. Andhra Pradesh	Drugs controller and Director, Medical Services Andhra Pradesh, Hyderabad.	12. Rajasthan	Drugs Controller and Director of Medical and Health Services, Rajasthan, Jaipur.
2. Assam	Drugs Controller and Director of Health Services, Assam, Shillong.	13. Tamil Nadu	Drugs Controller and Director of Medical Services Tamil Nadu-79-81, Mount Road, Madras.
3. Bihar	Drugs, Controller and Director of Health Services, Bihar, Patna.	14. Uttar Pradesh	Drugs Controller and Director of Medical and Health Services, Uttar Pradesh, Lucknow.
4. Gujarat	Director, Drugs Control Administration, Gujarat State, Ahmedabad-1.	15. West Bengal	The Director, Drugs Control West Bengal, College Square West Bengal, Calcutta-7.
5. Haryana	Drugs Controller, Haryana, Chandigarh.	16. Delhi	Drugs Controller and Superintendent Medical Services, Delhi Administration, 15, Alipur Road, Delhi-16.
6. Kerala	Drugs Controller and Director of Health Services, Kerala, Trivandrum.	17. Goa	Drugs, Controller Goa, Panjum.
7. Madhya Pradesh	Drugs Controller, Madhya Pradesh, Directorate of Health Services, Moti Bhangalow Indore.	18. Himachal Pradesh	Drugs, Controller and Director of Health Services, Himachal Pradesh, Simla.
8. Maharashtra	Commissioner, Food and Drugs Administration, Maharashtra State, Griha Nirman Bhavan, Bandra East Bombay-51 (AS)	19. Manipur	Drugs Controller and Director of Medical and Health Services, Manipur, Imphal.
9. Karnataka	Drugs Controller, Karnataka State, Palace Road, Bangalore.	20. Pondicherry	Drugs Controller, Pondicherry.
10. Orissa	Drugs Controller and Director of Health Services Orissa, Bhubneshwar.	21. Tripura	Drugs Controller and Superintendent V. M. Hospital and I/C Health Directorate, Agartala.
11. Punjab	State Drugs Controller, Punjab Directorate of Health Services, Old Secretariat, Chandigarh.	22. Jammu & Kashmir	Drugs Controller of Jammu and Kashmir, Srinagar.
		23. Dadar and Nagar Haveli, Silvassa	Administrator Dadar and Nagar Haveli, Silvassa.

APPENDIX 19

(Para 92 of Chapter IV)

Register for maintenance of consumption and stocks by actual users

S. No.	Date	Description of item	Receipts (Stock)					Issue (Consumption)					Remarks
			Opening balance	Qty. of fresh stock received	Name of supplier	No. and date of import licence/release order against which imported/allocated or other authorised source from which obtained	Date	Qty.	End products in which used/ Batch No. also to be shown in the case of pharmaceuticals units	Diverted to others in an authorised manner	Closing balance	Details of documents pertaining to the transportation of goods from the port of landing or place of receiving the goods to the factory site.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14

APPENDIX 20

(Para 129 of Chapter VI)

The following machinery and component parts thereof falling under Serial Nos. 4 and 5 of Part III of the Import Trade Control Schedule and all goods not mentioned hereunder but falling under Serial Nos. 4(1), 4(2), 4(3), (44) and 4(5) of Part III of the old I.T.C. Schedule, when required by the cotton textile industry.

(NOTE 1. Component parts are those parts which are illustrated in the original machinery maker's catalogues,

Note 2. The letter (P) denotes productive machinery.)

(A) COTTON SPINNING MACHINERY

(i) Mixing and Blow Room Machinery.

(ii) Card Room Machinery.

(a) Carding Engines.

(b) Card Grinding & Mounting Equipments.

(c) Vacuum Stripping Plants for Carding Engines.

(iii) Combing Machinery.

(a) Ribbon Lap Machines.

(b) Silver Lap Machines.

(c) Caps formes.

(d) Comber.

(e) Re-Needlings Equipment.

(iv) Drawing Frames and Speed Frames.

(a) Drawing Frames.

(b) Cap Winders.

(c) Cap Drawings Frames.

(d) Slubbing Frames.

(e) Single passage Speed Frames (High Draft).

(f) Simplex Fly Frames.

(g) Intermediate Frames.

(h) Roving Frames.

(i) Jack roving Frames.

(v) Spinning Room Machinery.

(a) Wrap Wet Ring Frames.

(b) Mules.

(c) Doubler Winding Machines, Ring Flyer & Doubles Twisters and Double Twisters.

(d) Tubuler, Banding & Braiding Machines.

(e) Roller Covering, Grinding & Mounting Equipments.

(f) Bobbin Stripping Machines.

(g) Yarn Gassing Machines.

(h) Reels.

(i) Bundling Presses.

(j) Yarn Polishing Machines.

(k) Yarn Conditioning Machines.

(vi) Waste Cleaning Machinery.

(a) Roving Waste Openers.

(b) Thread Extractors.

(c) Willow Machines.

(B) COTTON WEAVING MACHINERY

(i) Preparatory Machinery.

(a) Winding Machines.

Drum Winders, Vertical Spindle Winder, Cheese and cone winders, Bottle Bobbin Winders, Prin Winders and Spoon Winders.

(b) Warping Machines.

Beam Warping Machines, Ordinary Cree, Magazine Creels, Sectional Warping Machines, Booming Machines, super speed Warping machines.

(c) Sizing Machines.

(i) Cylinder Slasher Sizing Machines.

(ii) Multi-cylinder sizing machine.

(iii) Hot and/or Moist Air Drying Sizing Machines.

(d) Wrap Reacher-in-frames (Mechanical and Electrical).

(e) Automatic Wrap Tying Machines.

(f) Drawing-in-frames (mechanical and Automatic).

(ii) looms.

(a) Plain looms, Automatic loom, Tappet looms, Drop Box looms or Circular Box looms and Circular looms. (P)

(b) Terry Towel Looms (P)

(c) Tape Looms (P)

(d) Tibbon Looms (P)

(e) Webbing Looms (P)

(f) Loom for Waste Yarn Weaving (P)

(g) Duck Looms, Canvas Looms and blanket (P)

(h) Looms attachment such as Dobbies, Jacquards, Wrap Let off Motions, Positive Take-up Motions, Drop Box Motions, Special Tappets, Wrap Stop Motions, Card Punching Machines, Card cutting machines, repeating machine, Lacing machines and Automatic Weft Replenishing Attachment for corp or shuttle change.

(C) BLEACHING, MERCERISING, DYEING PRINTING, FINISHING AND CALENDARING MACHINERY.

(i) Bleaching Machines.

Gas and Electric Singeing Machines.

Boiling Kiers.

Open width Kiers (Desizing Machines.)

Bleaching Croft Washing Machines.

Rope Washing Machines.

Piling Machines.

Chemicking and Souring Equipment.

Squeezor.

Scutcher.

Water Mangle.

(ii) Mercerising Machines.

Chain and Chainless Mercerising machines, with pregnating Mangle.

APPENDIX 20—*contd.*

Casutic Lye Cooling Plant.
Cylinder Drying Machines.
Automatic Piling Apparatus.
Castic Soda Recovery Range.
Hank garn Mercerising Machines with Colling
Pinat.

(iii) Dyeing Machines.

Hank Dyeing Machines.
Cheese Dyeing Machines.
Cone Dyeing Machines.
Beam Dyeing Machines.
Loose Cotton Dyeing Machines.
Card Silver & Flyer Bobbin Dyeing Machines &
Plants with Pumping Arrangement and Lifting
and Traveling (Mechanical or Electrical).
Hosits for material Carriers.
Dyeing Jiggers—ordinary and automatic
Padding Mangles.
Wince Dyeing Machines.
Hot Air Drying Machines with Cylinders/or Cham-
bers.
Hydro-extractors (centrifugal and open width)
Continuous Dyeing Machines.
Khaki, Aniline and Sulphur Dyeing Plants consisting
of :
 Padding Mangles,
 Vertical Drying Machines.
Agers.
Dye Jiggers.
Washing Range.
Open Soapers.
Cylinder Drying Machines.

(iv) Printing Machines.

Brushing, Shearing and Cropping Machines.
Stendering Machines.
Colour Pans.
Mundrel Forcing Press.
Laboratory Printing Machines.
Roller Printing Machines.
Screen Printing Machines.
Cylinder Drying Machines.
Hot Air Drying Machines or Hot Flues.
Aging Machines.
Washing Machines.
Open Soaping and Washing Machines and Rope.
Soaping & Washing Machines.

(v) Finishing Machinery.

Strach Mangle.
Bac, Filling Mangle.
Cylinder Drying Machines Hot Air Drying Machines
Stentering Machines (Pin Clip and Jig.)
Belt Stretching Machines.
Plamer Stretchers.
Straching Machines.
Beetling Machines.
Spray Damping Machines.
Bush Damping Machines.
Sanforizing Machines.
Raising Machines.
Cloth Brushing Machines.

(vi) Calendaring Machines

Friction Calendaring Machines.
Sweezing and Chasing Calender Machines.
Schereiner Calenders.
Embossing Calenders.
Finishing Calenders.
Universal Calenders.
Felt Calenders.

(D) PACKING AND FOLDING MACHINERY

Folding Machines.
Inspecting and Measuring Machines.
Stamping Machines.
Combined Creasing, Laping, Rolling and Measuring
Machines.
Ball Press.

(E) COTTON WASTE SPINNING

- (i) Opening and clearing Machinery.
Hard Waste Breaker Machines.
Premier Opener Machines.
Pickering Machines.
Rag Tearing Machines.
Tenter Hook Willow Machines.
Spiral Willow Machines.
Wast Hopper Feeders and Schlutchers.
- (ii) Carding and preparatory to spinning machinery.
Breaker carding Engine with or without Hopper.
Feeder Finisher Carding Engines either with Con-
denser or Ring.
Doffers.
Derby Doublers.
Slubbing Frames.
Intermediate Frames.
- (iii) Spinning Machinery. (P)
Mule Spinning Machines. (P)
ving Spinning Machines. (P)
Condenser Spinning Machines. (P)
Chappon Frames. (P)
Box Frames. (P)

(F) KNITTING MACHINERY

- (i) Knitting Machines.
Circular Machines. (P)
Rib Top Machines. (P)
Linking Machines. (P)
Flet-Bed Machines. (P)
Tricot Knitting Machines. (P)
Warp Knitting Machines. (P)
Mosquito Net Manufacturing Machines (P)
Fishing Net Making Machines (P)
Raschel Knitting Looms. (P)
- (ii) Stitching Machines
Overlock Machines with Cutters
Chain Stitching Machines.
Hem Stitching Machines.
Flat Lock Machines.
- (iii) Dressing Frames and Guillotine cutters.
- (iv) Embroidery Machines.

(G) TESTING ROOM MACHINES

Fibre, Silver, Yarn and Cloth Testing Machines and
Apparatus for testing staple length, convolutions,
crimps, twists, counts, moisture content, tensile
strength, bursting wearing and tearing.

(H) HUMIDIFYING AND AIR CONDITIONING
EQUIPMENT AND APPARATUS.(I) MATERIAL HANDLING AND CARRYING EQUIP-
MENTS.

(J) PNEUMATIC UNDER CLEARER ATTACHMENTS.

(K) AUTOMATIC FEED LUBRICATION SYSTEMS.

(L) POWER PLANTS.

- (i) Steam Engines, Turbines, and Turboalternators.
(ii) Steam Boilers, Economisers, Superheaters, Feed
Pumps, Mechanical Stokers, Pulverisers and Fuel
Burning equipments.

(M) General workshop machined.

APPENDIX 21

deleted

APPENDIX 22

(Para 134 of Chapter VI)

Utilisation report for the half year ending

-
1. Name and address of the licensee.....
 2. No. and date of the licence
 3. Brief description of the goods.....
 4. Total value of the licence Rs.....
 5. Value of the goods imported during the half year under report:—

Date of import 1	Value in Rs. 2	Port of Clearance 3
---------------------	-------------------	------------------------

- 6 Balance value unutilised in the Customs copy of the licence at the end of the half year under report Rs.

7. Details of remittances made against the Licences during the half year under report.

8. Unutilised balance in the Exchange Control copy of the licence during the end of the half year under report Rs.

9. Details of the orders placed against the licence during the half year under report.

10. Details of letters of credit opened against the licence during the half year under report.

*Date of remittance**Value in Rs.*

11. Date of expiry of the validity period of the licence including the period of revalidation, if any.

I/We hereby certify that the particulars furnished shown are true to the best of my/our knowledge and belief.

Date.....

Signature of the

Licensee.....

APPENDIX 23

Machine Tools Declaration

(Para 166 of the Chapter VI)

1. Name and address of the importer:

I/We solemnly declare that the above statement is true and correct to the best of my/our Knowledge.

2. Import licence no. and date :

3. Category of import :

4. Established Importer/Others :

Sl. No.	Code no. (not to be filled by the importers)	Detailed description of the machine tools with name, model no. and specifications	Quantity	Value Rs. (cif)	Second hand or new if second hand approximate age of the machine	Manufacturers name
1	2	3	4	5	6	7

Signature

Date

Name

Designation

Address

.....

APPENDIX 24

Open General Licence No. IV

(Para 246 of Chapter X)

GOVERNMENT OF INDIA, MINISTRY OF COMMERCE AND INDUSTRY, IMPORT TRADE CONTROL ORDER NO. 2/61, DATED THE 28TH FEBRUARY, 1961 AS AMENDED REGARDING OPEN GENERAL LICENCE NO. IV.

The following Open General Licence issued by the Central Government under the Import Export (Control) Act-1947 (XVIII of 1947) in supersession of open General Licence No. IV published with the ministry of Commerce and Industry Import Trade Control order No. 3/58 dated 31st March, 1958 is published for general information:—

IMPORT TRADE CONTROL OPEN GENERAL LICENCE NO. IV

In exercise of the powers conferred by section 3 of the Imports and Exports and (Control) Act, 1947 (XVIII of 1947) as in force in India and as applied to the State of Pondichery, the Central Government gives the general permission for the importation from any country in the world except the Union of South Africa, until further notice of the following :

- (i) free gifts of books upto the value of Rs. 1,000 in favour of individuals or institutions :

Provided that the import of books which are not allowed to be imported under the import policy for the time being in force shall not be permitted.

- (a) free gifts of trade catalogues and circulars upto value of Rs. 1,000 :
- (b) free gifts of books containing technical know-how literature for construction work and manuals containing manufacturing processes and scientific data by industrial concern for their own use up to the value of Rs. 1,000
- (ii) Blue prints and Drawing (including Microfilms) which are photographic reduction (there of) relating to Machinery and plant sites, work and buildings research data imported in the form of microfilm and which are supplied free of charge and are of no commercial value.
- (iii) any goods included in Schedule I to the Imports (Control) Order 955 and which

- (A) are *bona fide* technical samples supplied free of charge not exceeding Rs. 2,000 in *c.i.f.* value in one consignment or *bona fide* advertising matter supplied free of charge not exceeding Rs. 1,000 in *c.i.f.* value in one consignment excepting "vegetable seeds" falling under S. No.36 and new drugs" as defined in rule 3-A of the Drugs Rules falling under Sr. No. 87 and 109 of Part IV of the Import trade Control Schedule

Provided that such samples or advertising matter are not sold by the importer : or

- (B) are supplied free of charge in replacement of goods previously imported which have been found to be defective or otherwise unfit for use the defect having been noticed and brought to the notice of the Customs authorities before the clearance of the goods from the Customs House or in the case of machines or parts thereof covered by guarantee, the defect is notified during the guarantee period.

Provided that :—

the shipments of such goods are made within six months from the date of clearance of previously imported goods from the Customs House or within the guarantee period in the case of machines or parts thereof if such period is more than six months and the following documents are produced before the Customs authorities

- (a) original letter from the foreign suppliers stating that such goods are being supplied free of cost.
- (b) a survey certificate issued by Lloyds Agents or other authorised insurance surveyors or in the case of machines or parts thereof, a certificate from a qualified engineer to the effect that the goods were actually received in defective condition and required replacement; and
- (c) In the case of machine or parts thereof, evidence showing the period of guarantee given by the foreign manufacturer or consignor.

This licence is without prejudice to the application of any goods of any other prohibition or regulation affecting the import that may be in force at the time when such goods are imported.

APPENDIX 25

(Para 270 of Chapter XIII)

Form I

FOR CUSTOMS PURPOSES

FOR EXCHANGE CONTROL PURPOSES

LETTER OF AUTHORITY

Subject to the conditions prescribed below M/s.....

holders of licence No. dated (hereafter referred to as the said LICENSEE) are hereby authorised to permit M/s

Importer Commission Agents/Dealers, On their behalf to import goods and to open letter of credit and make remittance of foreign exchange against the said licence to the extent of Rs. quantity of the goods (Description) as per said licence.

This letter of authority has been issued subject to the conditions laid down in chapter XIII of the Import Trade Control Hand Book of Rules and Procedure 1976-77. This letter of authority is valid from the date of its issue.

Controller of Imports & Exports
for Chief Controller of Imports & Exports
File No.

Dated

This letter of authority is issued subject to the following conditions :

- (a) The person or concern is whose favour it has been issued will act purely as an agent of the licensee and the goods imported will be property of the licence holder both at the time of clearance through the Customs and subsequent thereto. The licence holder will have to ensure that the goods on importation will be delivered to him and shall not be disposed of otherwise.

The licensee shall not cause or permit the holder of letter of authority to dispose of goods if the licence fails to take delivery of imported goods within three months from the date of clearance through the Customs authorities he shall inform the licensing authority concerned explaining the reasons for the same.

- (b) The holder of the letter of authority shall clearly indicate on all the relevant Custom documents including the triplicate copy of the Customs Bill of Entry that the goods have been imported by him on behalf of the licensee. This endorsement will be duly attested by the Customs authority.
- (c) The holder of the letter of authority shall not under any circumstances be entitled to any quota licence or quota certificate on the basis of these imports.

Controller of Imports and Exports
for Chief Controller of Imports and Exports

Form II

FOR CUSTOMS PURPOSES

FOR EXCHANGE CONTROL PURPOSES

(Specimen of letter of authority issued to an actual user, manufacturer exporter or nominee exporter)

Subject to the conditions prescribed below M/s..... holder of licence No. dated (hereafter referred to as the said Licensee) are hereby authorised to permit M/s to import goods and to open letter of credit and make remittance of foreign exchange against the said licence to the extent of Rs. quantity of the goods (Description) as per said licence.

This letter of authority has been issued subject to the conditions laid down in Chapter XIII of the Import Trade Control Hand Book of Rules and Procedure 1976-77. This letter of authority is valid from the date of its issue.

2. This letter of authority is issued subject to the following conditions *inter alia* :—

- (i) The letter of authority shall be subject to the conditions imposed on or applicable to the import licence referred to above.
- (ii) the letter of authority has been issued subject to "actual user" condition.
- (iii) All items of goods imported under the said licence and the letter of authority, shall be used only in the factory of the letter of authority holder, at the address shown in the application against which the licence/letter of authority is issued, and for the purpose for which the licence/letter of authority is issued, and may be processed in the factory of another manufacturing unit, but no portion thereof shall be sold to any other party or utilised or permitted to be used in any other manner. The goods so processed in another factory shall, however, be utilised in the manufacturing processes undertaken by the letter of authority holder. The letter of authority holder shall maintain a proper account of consumption and utilisation of the goods imported against the licence/letter of authority in the prescribed manner and produce such account to the licensing authority, sponsoring authority or any other authority concerned within such time as may be specified by such authority.
- (iv) These conditions shall be in addition to any other conditions imposed or deemed to have been imposed on the licence/letter of authority under the imports (Control) Order, 1955 dated 7-12-1955 as amended and the conditions imposed or deemed to have been imposed on the licence/letter of authority under the Provisions of Import Trade Control Hand Book of Rule & Procedure, 1976-77.

Controller of Imports and Exports
for Chief Controller of Imports
and Exports

APPENDIX 25—Contd.

Form III

FOR CUSTOMS PURPOSES

FOR EXCHANGE CONTROL PURPOSES

(Specimen of letter of authority issued to an agent of STC or a similar Public Sector Agency).

Subject to the conditions prescribed below M/s.
holders of licence
 No.dated.....

(hereafter referred to as the said LICENSEE) are hereby authorised to import goods and to open letter of credit and make remittance of foreign exchange against the said licence to the extent of Rs.quantity.....
 of the goods (Description).....
 as per said licence.

This letter of authority has been issued subject to the conditions laid down in Chapter XIII of the Import Trade Control Hand Book of Rules and Procedure 1976-77. This letter of authority is valid from the date of its issue.

2. This letter of authority is issued subject to the following conditions *inter alia* :—

- (a) The person or concern in whose favour it has been issued will act purely as an agent of the licensee the goods imported will be property of licence holder both at the time of clearance through the Customs and subsequent thereto.

(b) The holder of the letter of authority shall clearly indicate on all the relevant Custom documents including the triplicate copy of the Customs Bill of Entry that the goods have been imported by him on behalf of the licensee. This endorsement will be duly attested by Custom authority.

(c) The holder of the letter of authority shall not be under any circumstances be entitled to any quota licence or quota certificate on the basis of these imports.

(d) The holder of the letter of authority shall be under an obligation to dispose of the imported materials under the directions of the licensee and in the manner and at price as may be laid down by the licensee. The letter of authority holder shall keep proper account of imports and disposal of imported material and shall produce such accounts to the licensee and the licensing authority within such time as may be specified by the licensee or the said authority, as the case may be.

Controller of Imports & Exports
 for Chief/Jt./Dy. Chief Controller of Imports

(Issued from File No.)

APPENDIX 26

(Chapter XIV)

GOVERNMENT OF INDIA
MINISTRY OF FOREIGN TRADE
IMPORT TRADE CONTROL
Public Notice No. 13-ITC PN/71
New Delhi, the 1st February 1971

As amended vide public Notices No. 18-ITC (PN) / 71 dated 8-2-1971, No. 126 ITC/(PN)/71 dated 23-9-71, No. 20-ITC (PN)/72 dt. 3-2-1972 and No. 75-ITC (PN)/72 dt. 25-5-71 and No. 192-ITC (PN)/74 dt. 26-11-74 and No. 8-ITC (PN)/75 dt. 3-2-75.

SUBJECT: *Import of goods as personal baggage under the Baggage Rules.*

Attention is invited to the Ministry of Finance Department of Revenue and Insurance, New Delhi Notification No. 50-Customs/F No. 5-/20-70-Cus. VI. dated the 27th May, 1970 (Copy reproduced in this Appendix) and Ministry of foreign Trade Public Notice No. 93-ITC(PN)/70 dated the 27th June, 1970 in which the Baggage Rules, 1970 applicable to passengers (other than tourists) arriving from any country other than *Ceylon, Pakistan or Nepal*, have been announced.

2. (a) In supersession of the provisions contained in Public Notice No. 93-ITC (PN)/70 dated 27-6-1970, it has been decided that a passenger normally resident in India and returning from abroad from any country other than Ceylon, Pakistan or Nepal, after a stay for a period of less than 3 months abroad may be allowed to import duty free and without, ITC formalities; articles up to a value of Rs. 500/- in addition he may be permitted to import, at the discretion of the proper Customs authorities without any import licence or C.C.P. but on payment of customs duty, the following articles, for his own use or for the use of his family up to a total value of Rs. 750. It has also been decided that in the event of the value of any of the following articles, exceeding Rs. 750/- only that article will be allowed to be imported on payment of duty.

- (i) a fire-arm, if non-prohibited/non-restricted bore
- (ii) a watch of a value above Rs. 100;
- (iii) a camera;
- (iv) a movie camera;
- (v) a projector;
- (vi) a tape recorder;
- (vii) a golf set;
- (viii) electric shaver;
- (ix) hair dryer
- (x) flash gun;
- (xi) Exposure Meter.

To illustrate, if a Movie Camera costs Rs. 1,500 which is more than the permissible limit of Rs. 750/- that article only will be allowed subject to payment of duty. It is clarified that this concession is exclusive of the duty free allowance of Rs. 500/- available to the passenger.

(b) A passenger normally resident in India who has been living abroad continuously for 3 months or more in one country and returning to India may be permitted to import articles out of the following list for his own use or his family's use without import licence or C.C.P. but on payment of customs duty purchased out of his earnings abroad for a value not exceeding Rs. 250/- for a stay of each completed month abroad, provided that the total value of such articles together with the value of any articles allowed duty free under the Transfer of Residence Rule's concessions does not exceed Rs. 6000/-.

- (i) a T.V. Set;
- (ii) fire-arm, of non-prohibited/non-restricted bore
- (iii) watch of a value above Rs. 100/-
- (iv) a camera;

- (v) a movie camera;
- (vi) a tape-recorder;
- (vii) a projector;
- (viii) a golf set;
- (ix) Electric shaver;
- (x) Hair dryer;
- (xi) Flash gun;
- (xii) Exposure meter.

and

articles which have been in his actual use.

Provided further that where the value of one of these those articles imported by the passenger exceeds the admissible value limit applicable to him, that articles only may be allowed to be imported.

(c) A person of Indian origin, whether holding an Indian passport or a foreign passport who is normally resident abroad and is coming on a short visit to India may be permitted to import out of the following list for presentation as gift and souvenirs to his relations and friends subject to a value of Rs. 2,000/- at the discretion of the proper custom authorities without import licence of C.C.P. but on payment of customs duties. In the event of subsequent visit in the same calendar year the concession will be restricted to Rs. 500/- only :—

- (i) Watch of a value above Rs. 100;
- (ii) Electric Shaver;
- (iii) Hair Dyer;
- (iv) Tape Recorder;
- (v) Camera;
- (vi) Movie Camera;
- (vii) Flash gun;
- (viii) Exposure Meter;
- (ix) Projector; and
- (x) Golf set;

NOTE: TV set allowed to passenger under para 2 (b) and fire arms allowed under para 2(a) and 2(b) above shall not be allowed to these passengers.

3. The import of a TV set under Para 2(b) above will be subject to the conditions that the passengers affirms a declaration that :

- (i) he or any member of his family has not imported or otherwise acquired a foreign-made television set during the last five years;
- (ii) he is normally residing in a place falling within the range of television broadcasting of AIR at New Delhi/Bombay/Poona/ Amritsar/ Srinagar/Lucknow/ Madras and also such other places like Jaipur etc which fall within the range of Satellite Programme and the Assistant Collector of Customs has no reason to suspect the truth of his declaration.
- (iii) the TV set shall not be sold, gifted or otherwise parted with within five years from the date of clearance.

4. The import of a fire-arm under 2(a) and 2(b) above shall be subject to the condition that the passenger affirms declaration that;

- (i) he has not imported or otherwise acquired a foreign made fire-arm of the same category during the last 10 years. For this purpose, revolvers and pistols will be considered as fire-arms of a one category and rifles and guns as fire arms of another category. In other words, a person who has imported or acquired a foreign made revolver or pistol earlier within a period of 10 years, is not debarred from importing a rifle or gun. Like wise a person who has imported or otherwise

APPENDIX 26—Contd.

acquired a foreign made rifles or gun earlier, is not debarred from importing a revolver or pistol. A passenger can also import one fire-arm of each category i.e. revolver/pistol and/or rifle/gun at a time under paras 2(a) and 2(b) if otherwise covered by the allowances admissible above.

- (ii) the fire-arms shall not be sold gifted, given to a retailer or otherwise parted with for a period of 10 years from the date of the clearance.

4A(i) Under para 2(a) and 2(b) only fire-arms of non-prohibited category will be permissible. No fire-arm shall, however, be permitted to be imported under those rules unless it is covered by a valid possession licence or exemption from such licence granted under the arms Act 1959 and rules framed there under; and

- (ii) semi-automatic fire-arms and prohibited bore weapons comprising category 1 (b) and 1 (c) respectively of the arms Rules 1962 are not allowed to be imported as a matter of rule. Parties are, therefore, advised in their own interest, not to bring any fire-arms of either of these two categories into India.

5. The concessions indicated in the paragraph 2 (a) and 2(b) may be allowed provided the Assistant Collector of customs is satisfied that the Articles are being imported for the *bona fide* use of the passenger of his family and subject to the condition that such goods shall not be sold displayed, advertised or Offered for sale or displayed in a shop, until :—

- (a) in case of fire-arms and TV sets, they have been used for period not less than ten years and five years respectively from the date of clearance by such persons or passenger or member of the crew, or (b).

- (b) in the case of other goods when market-price has depreciated to less than 50% of their market-price when new.

6. Other items mentioned in para 9 of the Customs notification of 27 May, 1970, which are not exempted from duty e.g., Air-conditioner, Refrigerator, Cooking Range, Washing Machine and Radiogram, no import licence or C.C.P.S. will be issued for the import of these items brought as baggage. Import of Cigarette and Alcoholic Liquors in excess of the quantities mentioned in the Customs Notification will not be permitted.

7. In addition clearance of one dog and other domestic pets like cats and birds in a limited number may be allowed without Import Trade Control restrictions on furnishing the following health certificate to the Customs authorities :—

- (i) A health certificate from a veterinary Officer authorised to issue a valid certificate by the Government in the country of export to the effect that the dog imported is free from Aujassky's disease, Distemper, Rabes, Leishmaniasis and Leptospirosis and in the case of cats from Rabies and Distemper.
- (ii) In the case of Import of dogs and cats originating from countries where Rabies infection is known to exist, a health certificate containing a record of vaccination, the vaccine used, brew of the vaccine and the name of the production laboratory and to the effect that the dog/cat was vaccinated against Rabies more than one month, but within 12 months prior to actual embarkation with nervous issue vaccine or within 36 months with chicken embryo vaccine, both the vaccines having previously passed satisfactory potency tests.
- (iii) In the case of parrots, a certificate to the effect that the parrots were subjected to a complement fixation test for Psittacosis with negative results within 30 days prior to actual embarkation.

Sd/- BHAGWAN SINGH,
Chief Controller of Imports and Exports

CREW BAGGAGE RULES

GOVERNMENT OF INDIA

MINISTRY OF FOREIGN TRADE

IMPORT TRADE CONTROL

PUBLIC NOTICE NO. 35 ITC (PN)/71

New Delhi, the 1st April 1971

SUBJECT :—Import of goods as personal baggage

Attention is invited to the Ministry of Foreign Trade Public No 13-ITC(PN)/71 dated the 1st February, 1971 as amended by Public Notice No 18-ITC (PN)/71 dated 8th February, in which the Baggage Rules applicable to passengers (other than tourists) arriving from any country other than Pakistan, Ceylon, or Nepal have been announced.

2. It has been decided that officers and members of the crew engaged in foreign going vessels, returning from abroad at the time of their final pay off on termination of their engagement may be permitted to import, at the discretion of the proper Customs authorities, without an import licence or Customs Clearance Permit, but on payment of Customs duty, the following, articles for their own use or for the use of their family, upto a total value of Rs 750/- :—

- (1) Record Changer, with eight records, in actual use.
- (2) Amplifier in actual use.
- (3) Typewriter in actual use.
- (4) Tape recorder with two reels or four cassetts.
- (5) Still camera.
- (6) Golf club set (half)
- (7) Electric shaver.
- (8) Hair dryer.
- (9) Flash gun.
- (10) Exposure Meter

Sd/- (P. K. SAMAL),
Chief Controller of Imports and Exports

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Revenue and Insurance)

New Delhi, the 27th May 1970

NOTIFICATION

As amended by Customs notification No. 66 of 2nd July, No. 96 of 4th November 1970, No. 22, of 29th Jan., 72 and Notification No. 94 of 30th May, 1973.

CUSTOMS

G. S. R. No. ————In exercise of the powers conferred by sub-section (2) of section 79 of the Customs Act, 1962 (52 of 1962), and in supersession of the Passengers (Non-Tourist) Baggage Rules, 1960, and the Crew Baggage Rules, 1967, the Central Government hereby makes the following rules for passing free of duty baggage of passengers (other than tourist) who arrive from any country other than Ceylon, Pakistan or Nepal, namely :—

1. *Short title, commencement and application.*—(1) These rules may be called the Baggage Rules, 1970.
- (2) They shall come into force on the 27th June, 1970.
- (3) They shall apply to baggage of all passengers who arrive in India on or after the 27th June, 1970.

2. *Used personal effects.*—The used articles of personnel wear (excluding jewellery) and wrist watch and articles in personal use of a passenger for satisfying daily necessities of life may be passed free of duty.

3. *General free allowance.*—In addition to the articles specified in rule 2, a passenger of and above the age of 12 years may also be allowed to import free of duty articles up to a value of Rs. 500/- if the proper officer is satisfied that such articles are for the use of the passenger or his family or for making gifts or souvenirs.

Provided that a passenger below 12 years of age may be allowed to import free of duty articles up to a value of Rs. 125/- if the proper officer is satisfied that such articles are for the use of such passenger.

Provided further that in the case of an air passenger who travels on a free or concessional ticket and returns to India after staying outside India for less than a week, articles upto a value of Rs. 75/- in the case of such adult passenger or Rs. 18.75 in the case of such passenger below 18 years of age, may only be allowed to be imported free of duty or each day's stay outside India.

Explanation :—For the purpose of this rules 'concessional ticket' means a ticket issued after allowing a Concession of 75% or more.

4. *Additional allowances for used household articles.*—In the case of a passenger who has resided abroad in one country for over three months and is returning to India within two years of his departure from India, articles actually used for running his household, namely linen, utensils, kitchen appliances and non, up to an aggregate value of Rs. 500/- may be passed free of duty.

5. *Allowance for professional tools.*—A passenger who has resided abroad in one country for over 3 months may be allowed clearance free of duty of such used instruments, apparatus or appliances as are specially designed for use in the profession or calling followed by him and which any person following the same profession or calling would ordinarily carry with him in his professional tour.

6. *Jewellery and wrist watch.*—Jewellery and wrist watch in the actual use of a passenger who has been residing abroad for over one year may be allowed clearance free of duty up to the aggregate value of Rs. 500/- in the case of a male passenger and Rs. 1,000 in the case of female passenger.

7. *Unaccompanied baggage.*—(1) Subject to the conditions and limitations laid down in these rules, the proper officer may pass free of duty *bona fide* unaccompanied baggage arriving in India after the arrival of the passenger. If it was in his possession abroad and was shipped by sea within one month or despatched by the air within a fortnight of the passenger's arrival in India :

Provided that if the Assistant Collector of Customs or the Collector of Customs or the Board as the case may be is satisfied that the passenger could not ship or despatch his *bona fide* unaccompanied baggage within the period aforesaid in spite of his having taken all reasonable steps for that purpose the Assistant Collector of Customs may extend the time limit of one month or of a fortnight to one month, as the case may be collector of Customs may extend the time limit to six months and the Board may extend up to any further time.

(2) *Bona fide* baggage of a passenger landed at any Customs station within two months before his arrival in India may be passed free of duty by the proper officer subject to the conditions and limitations laid down in these rules.

Provided that the Assistant Collector of Customs, may in his discretion, extend the time limit for the arrival of the passenger up to four months and the Collector of Customs may extend up to any further time if the said Assistant Collector or the Collector, as the case may be is satisfied that the passenger was prevented by sufficient cause from arriving in India within the aforesaid period of two months.

8. *Application of these rules to members of the crew.*—These rules, except rule 4, shall apply in respect of officers and members of the crew other than (those specified in Rule 8A) engaged in a foreign-going vessel for clearance of their baggage at the time of final pay off on termination of their engagement.

Provided that the concession under rule 5 shall not be allowed except at the time of final pay off on termination of first engagement in a foreign-going vessel.

8A. *Special concession to certain Category of officers and members of crew* :—(1) Rules 4 and 9 shall not apply to any officer or member of the crew who was engaged prior to the 27th May, 1970, in a foreign going vessel and who on or after that date had declared for the first time his baggage to the Master of the vessel in accordance with the directions issued by such officer.

(2) Any officer or member of the crew aforesaid may be allowed to import free of duty articles not exceeding eight hundred rupees in value if the proper officer is satisfied that such articles are for the use of the person importing them or his family or for making gift or souvenirs.

Provided that in the case of an officer or a member of the crew aforesaid who is finally paid off on termination of his engagement for a period exceeding three months, the value of the articles which he may be allowed to import free of duty shall, subject to a maximum of one thousand and six hundred rupees in all be increased by one hundred and sixty rupees for each completed month in excess of three months.

9. *Article not exempted from duty.*—Notwithstanding, the provisions or rule 3 and 4, the following articles shall not be passed free of duty under these rules, namely :—

- (i) Air Conditioner.
- (ii) Refrigerator.
- (iii) Cooking range.
- (iv) Wasing Machine.
- (v) Motor cycle, Scooter and moped.
- (vi) Radio-gram other than battery operated.
- (vii) Television set.
- (viii) Tape Recorder other than battery operated.
- (ix) Amplifier.
- (x) Movie Camera.
- (xi) Movie Projector.
- (xii) Firearms.
- (xiii) Golf Clubs.
- (xiv) Cigarettes exceeding 200 or cigars exceeding 50 or Tobacco exceeding 250 grams.
- (xv) Alcoholic liquor in excess of 0.65 litters.

Sd/- M. G. ABROL,
Joint Secretary to the Government of India

Notification No. 50-Customs/F. No. 5/20/70-Cus. VI.

TOURIST BAGGAGE RULES

(CUSTOMS NOTIFICATION NO. 225 DATED THE 3RD AUGUST 1958 PUBLISHED IN PART II, SECTION 3(ii) OF THE GAZETTE OF INDIA (EXTRA-ORDINARY) DATED THE 3RD AUGUST, 1958 AS AMENDED BY CUSTOMS NOTIFICATION NO. 22 OF 2ND FEBRUARY, 1963, AND PUBLISHED IN THE GAZETTE OF INDIA ON 2ND FEBRUARY, 1963, AND NOTIFICATION NO. 114-CUSTOMS DATED THE 8TH JUNE, 1966 NOTIFICATION NO. 53—CUSTOMS DATED 27-5-1970 NOTIFICATION NO. 28—CUSTOMS DATED 3RD APRIL, 1971 AND NOTIFICATION NO. 57—CUSTOMS DATED 3RD APRIL, 1973)

CENTRAL BOARD OF EXCISE & CUSTOMS

In exercise of the powers conferred by section 75 of the Sea Customs Act, 1878 (8 of 1878) as in force in India, the Central Board of Revenue hereby makes the following rules for passing free of import duty baggage landed at Customs Sea Ports by tourists from foreign ports, namely :—

1. *Short title, Commencement and application* :—(These rules may be called the Tourists Baggage Rules, 1958)

(2) They shall come into force on the 3rd August, 1958.

(3) These rules shall not apply to persons coming from Pakistan.

2. *Interpretation.*—For the purpose of these rules, the term 'tourist' means any person not normally resident in India, who enters India for a stay of not less than twenty-four hours and not more than six months in the course of any twelve-months period for legitimate non-immigrant purposes as touring, recreation, sports, health, family reasons, study, religious pilgrimages or business.

Provided that where the Collector of Customs is satisfied that it is necessary for a tourist to stay for legitimate non-immigrant purposes for a period exceeding six months, he may extend the period by a further period of six months.

3. *Exemption from Customs Duty for personal effects imported temporarily.*—(1) Subject to the other conditions laid down in these rules, the personal effects imported by a tourist shall be allowed to be imported temporarily free of import duty provided that they are for the personal use of the tourist, are carried on the person of or in the luggage accompanying the tourist, that there is no reason to fear abuse and that these personal effects are re-exported by the tourist on his leaving India for a foreign destination.

Explanation.—The term "personal effects" means all clothing for the other articles new or used which a tourist may personally and reasonably require taking into account all the circumstances of his visit, but excluding all merchandise imported for commercial purposes, and includes—

- (i) personal jewellery;
- (ii) one camera with twelve plates or five rolls of film;
- (iii) one miniature cinematograph camera with two reels of film;
- (iv) one pair of binoculars;
- (v) one portable musical instrument;
- (vi) one portable gramophone with ten records;
- (vii) one portable sound-recording apparatus;
- (viii) one portable wireless receiving set;
- (ix) one portable typewriter;
- (x) one perambulator;
- (xi) one tent and other camping equipment;
- (xii) sports equipment such as one fishing out-fit, one sporting fire-arm with fifty cartridges, one non-powered bicycle, one canoe or kayak less than 5-1/5 metres long, one pair of skis, two tennis rackets.

(2) Subjects to all the conditions specified in sub-rule (1) such instruments, apparatus or appliances, as are specially designed for use in the profession or calling followed by the tourist and which any person following the same profession or calling would usually carry with him in his professional tour, may be allowed to be imported temporarily free of import duty leviable thereon.

Note :—The instruments, apparatus or appliances must have been actually used by the tourist before the importation thereof.

(3) Subject to the other conditions laid down in these rules a tourist shall be allowed to import free of Customs duty the following articles for his personal use, provided that these articles are carried on the person of or in the hand luggage accompanying the tourist and there is no reason to fear abuse:—

- (i) cigarettes 200, cigars 50, Tobacco 250 grammes
- (ii) one regular size bottle of wine and alcoholic liquor not exceeding 0.95 litre.
- (iii) one-quarter litre of toilet water, a small quantity of perfume and medicines in reasonable quantities.

4. *Exemption from Customs Duty for travel souvenirs imported temporarily.*—In addition to the articles specified in rule 3 a tourist may also be allowed to import temporarily free of customs duty travel souvenirs for a total value not exceeding Rs. 800/- provided that such, souvenirs are carried on the person of or in the luggage accompanying the tourist, they are not intended for commercial purposes and they are re-exported by the tourist on his leaving India for a foreign destination.

4A. *Exemption from Customs duty on gifts, souvenirs etc. imported by persons of Indian origin.*—Persons of Indian origin who have been resident outside India for over 2 years may be allowed to Import free of duty at the discretion of the proper officer these articles which are to be given away as gifts & if such articles are such as could be passed free of duty under Baggage Rules 1970.

5. *Undertaking to be given to Customs Authorities in certain cases.*—(1) Notwithstanding the provisions of rules 3 and 4, no article of a high value such as sound recording apparatus, wireless receiving sets, and the like shall be passed free of Customs duty unless the tourist gives an undertaking in writing to the Customs Collector to re-export it out of India for a foreign destination or on his failure to so re-export to pay up the Customs duty leviable thereon.

(2) Every tourist shall be given on arrival and after the examination of his baggage, a list of articles of high, value brought by him signed by the Customs Officer who examines his baggage if no such article of high value is imported, a nil list similarly signed shall be given. Unless the list is produced by the tourist to the Customs Officer at the time of examination of his baggage on his departure from India for a foreign destination along with the article, if any, listed therein, his baggage may not be allowed clearance through the Customs 'for export'.

6. *Provision regarding unaccompanied baggage.*—Notwithstanding anything to the contrary in the foregoing rules *bona fide* baggage and goods eligible for the concessions under the foregoing provisions and landed at any Customs port with in two months before or after the arrival of the tourist in India, may be passed subject to the condition applicable to baggage accompanying a tourist provided the customs Collector is satisfied that they could not be brought along with the tourist due to reasons entirely beyond his control.

7. *Refusal of exemption in certain cases.*—Notwithstanding anything contained in these rules the Customs Collector may refuse to a tourist exemptions granted by these rules in any of the following cases namely :—

- (a) when the total quantity of a commodity imported by a tourist exceeds substantially the limit laid down in these rules;
- (b) where the tourist enters more than once a month;
- (c) where the tourist is under 17 years of age.

8. The Tourist Baggage Rules, 1957, and the rules, published with the Central Board of Revenue Notification No. 31-Customs, dated the 30th August, 1930 as amended from time to time (for passing free of import duty baggage landed at Customs ports by passengers from foreign ports in Ceylon) in so far as these latter rules relate to matters covered by these rules are hereby repealed except as respects things done or omitted to be done.

Sd./- M. A. RANGASWAMY

No. 225/9/8-57-Cus. VI

Secretary, Central Board of Revenue

TRANSFER OF RESIDENCE RULES

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE & INSURANCE)

NEW DELHI, the 21st June 1969

NOTIFICATION No. 98 (Published in Part II Section III Sub-section (i) of Gazette of India Extra-ordinary) As amended by customs No. NOTIFICATION 96, dated 19-8-72.

CUSTOMS

G. S. R. No. —In exercise of the powers conferred by section 79 of the Customs Act. 1962 (52 of 1962) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue & Insurance No

G. S. R. 395 dated the 25th March, 1967 the Central Government hereby makes the following rules, namely :—

Short title—(1) These rules may be called the Transfer of Residence Rules, 1969.

Personal and household effects exempted from duty subject to certain conditions.—(2) Subject to the provisions of the Baggage (Conditions of Exemption) Rules, 1963 and rule 3 of these rules the personal and household effects of a person on a *Bona fide* transfer of residence to India shall be exempted from Customs duty, subject to the fulfilment of the following conditions to the satisfaction of the Assistant Collector of Customs namely—

- (a) Such person has been residing abroad continuously for a minimum period of two years immediately preceding the transfer of residence;
- (b) Such person is transferring his residence to India for a minimum stay of one year;
- (c) Such person certifies that the goods have been in his or his family's ownership and use for not less than one year and examination of the goods and other attendant circumstances bears this out;
- (d) The goods in respect of which exemption is claimed are imported for such person's or his family's personal or household use and not for sale, exchange or for being given away to any other person;
- (e) The goods are imported within the time limit fixed under any rule made or deemed to have been made under section 79 of the said Act.

Explanation.—For the purposes of this rule, the expression 'personal and household effects' shall not include so much of gold jewellery (other than Gold jewellery studded with diamond or precious stones) as is in excess of the value of Rs. 5000/- in the case of a female and Rs. 1000/- in the case of a male.

3. *Goods not exempt*.—Goods specified in Schedule I annexed hereto shall not be exempt in any case and goods specified in Schedule II annexed hereto shall be exempt only in the case of persons who transfer their residence to India after a period of not less than three years continuous stay abroad.

4. *Condonation of short visit*.—For the purposes of rules 2 and 3, short visits, if any, paid by the person concerned to India during the aforesaid period of two years or three years as the case may be shall be ignored if the total duration of stay on these

visits to India does not exceed six months and to exemption admissible under these rules has not been claimed or availed of in any of the foresaid visits.

Provided that on sufficient cause being shown by the person concerned, the Central Board of Excise and Customs may direct that such short visit shall be ignored even if the total duration of stay in India on such visit exceeds six months.

Schedule I

(1) Motor cars, motor cycles other motor vehicles, vessels and aircrafts.

(2) Ammunition.

(3) Cinematograph films of 16 m.m. and above, and

(4) Consumable stores.

Schedule II

(1) Fire arms.

(2) T.V. Set.

(3) Air conditioner

(4) Refrigerator.

(5) Cooking range.

(6) Washing machines,

(7) Radio—Gramophone.

(8) Stereo Record Changer.

(9) Stereo Tape Recorder and Tape Recorder with three or more speeds.

(10) Radio (including transistor radio) with six or more wave bands.

(11) Movie Camera.

(12) Movie Projector.

(13) Still Camera with interchangeable lens, or camera, the purchase price of which when new, exceeds Rs. 500/- (excluding purchase & Sale tax.)

(Sd.) (M. G. ABROL)

JOINT SECRETARY TO THE GOVERNMENT OF INDIA

No. 98 F. N. 7/40/69-Cus. VI.

APPENDIX 27

(Chapter XIV)

Import of built up cars, station wagons, Jeeps, Motor Cycles, Scooters, auto cycles, Mini cars, mopeds

INDIAN NATIONALS RETURNING TO INDIA FOR PERMANENT SETTLEMENT

1. Applications for grant of Customs Clearance Permits are considered from Indian nationals returning to India for permanent settlement in this country, provided they fulfil the following conditions :—

- (i) The period of continuous stay of the applicant abroad is not less than one year.
- (ii) The car etc., sought to be imported has been in possession and use of the applicant for a period of not less than three months prior to his departure for India. This will be determined from the date of registration of car in the name of the applicant.
- (iii) The car etc., to be imported has been purchased by the applicant out of his own earnings abroad.
- (iv) The applicant has not drawn any foreign exchange from India for a period of two years preceding the date of his departure for India, or having drawn foreign exchange, it has been refunded.
- (v) The c.i.f. value of a car manufactured in the Non-American countries shall not exceed Rs. 63,000/- for a car manufactured in the American continent the c. i. f. value shall not exceed Rs. 51,000/-. In the above mentioned purpose, the prices shown in the manufacturers price list will be taken into account. It is also mentioned that in so far Mercedes Benz/Diesel cars are concerned, the import of car higher than MB200 Diesel will not be allowed.
- (vi) The car etc., shall be imported as personal baggage (accompanied or unaccompanied) by a passenger.

Note :—For the purpose of calculating the c.i.f. value, the ex-factory price of car when new, as indicated in the Factory Price list shall be taken into account. At the prevailing rates the insurance and freight charges come to about 20% of the ex-factory price of the car, from the country of origin (i.e. country of manufacture of car to India). Spares upto the value of Rs. 800/- only will be allowed along with the car.

The value of the fittings i.e. radio and airconditioner will not be taken into account in calculating the c.i.f. value of the car.

No depreciation is admissible on account of the age of the car, for the purpose of determining the eligibility of the car, for import. Nor any deduction is allowed on account of trade discount allowed by manufacturers to dealers and export and diplomatic discount for calculating the upper limits of the car.

2. Application for Customs Clearance Permits should be made to the Chief Controller of Imports and Exports, New Delhi in the application form given in Annexure I. It should be supported by the necessary documentary evidence and a treasury challan for Rs. 50/- towards application fees on the value applied for. The applicant should produce the following documents :—

- (i) An affidavit duly counter-signed by a representative of the Government of India or Indian Embassy or India's High Commission abroad or a certificate issued by any of these authorities to show that the applicant is returning to India for permanent settlement. In the case of persons returning from the United Kingdom an affidavit duly counter-signed by a Notary Public will also be accepted.
- (ii) Photostat copies of the purchase invoice and the registration certificate of the car etc., to be imported.
- (iii) Statement of earnings abroad duly certified by the employer(s) or income-tax returns for the period prior to the purchase of the car.

3. Conditions applicable to Customs Clearance Permits.

(1) The customs Clearance Permits issued in terms of these provisions will be subject to the following conditions *inter alia* :—

- (i) The licence shall not sell, pledge, mortgage, hypothecate or part with possession of the car except with the prior permission of the licensing authority in writing. The sale, if permitted shall be effected by the licensee to such person or agency within such time, at such price, and in such manner as may be specified by the licensing authority. The importer shall not leave the car in India while going abroad except on short visits not exceeding a period of six months. When visits abroad exceed a period of 6 months permission from the licensing authorities shall be obtained for leaving the car with his close relations. The importer will, however, be free to re-export his vehicle in the event of his leaving the country.
- (ii) The car will not be sold, pledged, mortgaged, hypothecated or parted with for a period of 5 years from the date of its purchase by the applicant licensee and 2 years from the date of its importation whichever is later. This will also apply to repatriates and non-repatriates from East African and other countries.
- (iii) The licensee shall produce evidence to show that the car, etc., is in his possession and ownership, whenever such evidence is demanded by the Chief Controller of Imports & Exports or any other licensing authority.

NOTE.—In case of motor cycles, scooters, auto cycles and mopeds, the period of "no sale" will be five years from the date of initial registration and three years from the date of importation whichever is later.

- (iv) Before the clearance of the car, etc., the licensee will execute a bond with the Jt./Dy. Chief Controller of Imports and Exports at the port of import in the prescribed form in favour of the President of India undertaking to fulfil the conditions imposed on the C.C.P. The bond shall be supported by a guarantee of a scheduled bank/insurance company for a period of six years initially and the licensee shall undertake to get it renewed for such further period as the licensing authority may require one year before the expiry of the period of the six years.

(2) The bond for the fulfilment of the conditions imposed on the C.C.P. should be executed by the licensee in the form given in Annexure II, which may, if required, be suitably modified by the licensing authority to incorporate specific constitution(s) imposed on the C.C.P.

NOTE.—(i) Foreign nationals of Indian origin coming to India for good will be treated as Indian nationals for the purpose of allowing import of vehicles. Such applicants will be required to fulfil all such conditions as are laid down in para 1 above and submit applications in terms of Para 2.

- (ii) Foreign nationals of Indian origin coming to India on specific assignment like other foreign nationals will be treated as foreign nationals for the purpose of allowing import of vehicles. Such applicants will be required to fulfil all such conditions as are laid down for Foreign Nationals in para 4 and 5 below.

3(a) "Import of a car as gift from the parents of foreign ladies (including foreign ladies of Indian origin married to Indian Nationals) who are permanently settled in India, within the c.i.f. value of Rs. 32,000/- may be considered."

3(b) Apart from T.R. of Rs. 50/- the application is required to be supported by the following documents :—

- (i) Photostat copy of the marriage certificate:

- (ii) A letter in original from the parents stating that the car is an unsolicited gift made out of love and affection involving no remittance from India;
- (iii) Donor's bankers certificate certifying the financial status of the donor to donate such a car to the daughter;
- (iv) An affidavit on stamped paper sworn by before a Magistrate or Oath Commissioner or Notary Public both from the applicant and her husband affirming that they are permanently settled in India, have not imported any other car previously.

NOTE.—This facility for import of a small car as gift from parents, as envisaged in the above para, can be availed of only once, subject to fulfilment of necessary requirements, during one's life time.

FOREIGN NATIONALS COMING TO INDIA FOR AN ASSIGNMENT FOR A MINIMUM PERIOD OF MORE THAN ONE YEAR

4. Applications for the grant of Customs Clearance Permits are considered from foreign nationals coming to India for taking up an assignment with essential Government projects, essential industrial enterprises in the private projects, industrial enterprises and firms concerned with the supply of technical equipment and know-how, for a minimum period of more than one year, provided the car etc. sought to be imported has been in the ownership and use of the applicant, or his wife/her husband, as the case may be, prior to his/her departure for India. The car etc. shall be imported as personal baggage (accompanied or unaccompanied) by the applicant or his wife. In either case, however, if the import is allowed, the car etc. on its arrival in India, will have to be registered in the name of the applicant. The facility will also be available to officials of foreign banks and general insurance companies and other important officials.

(5) (i) Applications for the grant of Customs Clearance Permits should be made to the Chief Controller of Imports & Exports, New Delhi, through the employer in India with whom the applicant is taking up an assignment. The application should be made in the form given in Annexure III. It should be supported by photostat copies of the purchase invoice and the registration certificate or authenticated English translation thereof if not in English, pertaining to the car etc. to be imported and a treasury challan for Rs. 50/- towards application fees on the value applied for. While forwarding the application to the Chief Controller of Imports & Exports, New Delhi, the employer concerned should append a certificate indicating the particulars of the period of assignment offered to the applicant in India and the date of Commencement.

(ii) In the case of accredited journalists or correspondents or news agencies, the applications for Custom Clearance Permits should be made to the Chief Controller of Imports & Exports, New Delhi through the Press Information Bureau, Govt. of India, New Delhi. It should also be supported by a letter, in original from their principals to the effect that the applicant is their accredited correspondents, etc.

(iii) The C.I.F. value limits shall be the same as are applicable in the case of Indian Nationals which are mentioned in para 1 of the Appendix.

(6) (1) The Customs Clearance Permits issued to foreign nationals under these provisions will be subject to the following conditions *inter alia*—

- (i) The car etc. is to be re-exported when the importer leaves India or when it is no longer required for the specific purpose for which the import of the car was originally allowed. In any case, the importer/transferee shall not leave the car in India while going abroad except on short visits not exceeding a period of 3 months without the prior approval of the licensing authorities. While in India, the importer shall not sell, pledge, mortgage, hypothecate or part with the possession of the car without the prior permission of the licensing authority.
- (ii) The importer shall produce evidence to show that the car is in his possession and ownership, whenever such

evidence is demanded by the Chief Controller of Import & Exports, New Delhi or any other licensing authority.

- (iii) Before the clearance of the car etc., the licensee shall execute a bond with the Joint/Deputy Chief Controller Imports & Exports at the port of importation, in the form prescribed by the licensing authority, undertaking to fulfil the conditions imposed on the C.C.P. The bond shall be supported by a guarantee of a scheduled bank or an insurance company for an amount equal to the c.i.f. value of the car etc. The bond shall be valid for a period of six years initially and the licensee shall undertake to get it renewed for such further period as the licensing authority may require one year before the expiry of the period of the six years. The renewed bond may be for one year more than the 'no-sale' period of ten years from the date of original registration abroad or five years from the date of importation whichever is later.

- (iv) Notwithstanding what has been stated in (i) above, the licensee will also have the option to sell the car etc., in India to another foreign national provided (a) the buyer is eligible to the import of a car etc., under these provisions; (b) the price of the car etc., is paid by the buyer from his personal funds abroad without in any way involving remittance of foreign exchange from India; and (c) the buyer undertakes to abide by the same conditions subject to which the import has been allowed. The buyer shall be required to execute a bond undertaking to fulfil the conditions with the same licensing authority and in the same manner as the bond executed by the original importer. The bond should also be counter-signed by the employer with whom the buyer is employed. (This facility of transfer will also be available to the first transferee and subsequent transferee, and the concerned port licensing authorities may directly be approached for this purpose.)

(2) The bond for the fulfilment of the conditions imposed on the Customs Clearance Permit should be executed in the form given in Annexure II which may, if required, be suitably modified by the licensing authority to incorporate specific conditions imposed on the CCP.

(3) In the case of foreign experts coming to India under various Aid Programmes, the applicant will be required to give an undertaking for the fulfilment of conditions of the C.C.P. in lieu of the bond referred to above. The undertaking should be duly countersigned by a Diplomatic or Trade Representative in India of the foreign country concerned.

(4) In the case of non-diplomatic and home-based staff of foreign Diplomatic/Consular/Trade Missions in India also, the applicant should give an undertaking for the fulfilment of the conditions of the C.C.P. in lieu of the bond referred to above. The undertaking should be duly guaranteed by the Head of the Mission concerned.

NOTE.—Foreign Nationals of Indian origin coming to India for specific assignment will be treated as foreign nationals for the purpose of allowing import of vehicles as baggage.

SELF EMPLOYED FOREIGN NATIONALS

7. (1) Foreign nationals who are self-employed may also be permitted to import a car, provided the following conditions are fulfilled:—

- (a) A recommendation is obtained from the State Government stating the nature of work the foreign national is engaged in;
- (b) Custom duty is paid in foreign exchange; and
- (c) A certificate is produced from their bankers abroad to the effect that he has necessary funds for the purchase of the car.

(2) Application for the grant of custom clearance permit should be made in the application form given in Annexure III. The C.I.F. value limits, and the conditions applicable to custom clearance permit will be the same as are applicable to other foreign nationals as mentioned in paras 5-6 above.

IMPORT OF CARS ETC. BY FOREIGN INSTITUTIONS, RUPEE COMPANIES, ETC.

8. (1) Applications for the grant of customs clearance permits for the import of built-up cars or station-wagons are considered from banks, companies or institutions incorporated abroad and operating through branches India, provided the applicant pays the Customs duty leviable there on in foreign exchange. Applications will ordinarily be considered for the import of one car or station-wagon only or at the most for two if they have more than one branch in India and a large number of foreign nationals are employed by them who have not imported their own cars. A relaxation may, however, be made in the case of Airways companies, in consultation with the Department of Civil Aviation, Government of India New Delhi.

(2) Rupee Companies which are wholly owned subsidiaries of Foreign Companies may be permitted to import a car provided that foreign technicians are employed by the company, custom duty is paid in foreign exchange and that the car is supplied free of charge by the foreign principals.

(3) Rupee Companies, having foreign collaboration may be allowed to import a car on a "Care taker basis" for the use of foreign directors/technical experts who come to India, provided the collaboration agreement provides such visits/appointments. The car is to be supplied free of charge by the foreign collaborators and the custom duty shall also have to be paid in foreign exchange.

(4) Companies which are partly owned by the Govt. of India and partly by a foreign collaborator may be permitted to import a car provided such companies have financial as well as technical Collaboration and the Collaboration Agreement provides for the visits of foreign technical experts Directors to India and other conditions as per para 8(3) above are fulfilled agreed to.

9. (1) Applications for customs clearance permit in cases covered by para 8 above should be made to the Chief Controller of Imports & Exports, New Delhi, in the form given in Annexure IV. It should be supported by necessary documentary evidence and treasury chalan for Rs. 50/- towards the payment of application fees on the value applied for. If the application is for the import of more than one car and the value applied for exceeds Rs. 50,000/-the amount of application fee should be, in accordance with the prescribed schedule of schedule of fees. The applicant should produce the following documentary evidence :—

- (i) Photostat copy of the purchase invoice pertaining to the car, etc., sought to be imported; and
- (ii) A letter from Principals abroad to the effect that the car, etc. Will be or has been paid for from the Principal's own resources abroad and will not involve any remittance from India., and that the customs duty in respect of the car., etc., to be imported will be paid in foreign exchange.

(2) The conditions applicable to the C.C.Ps. issued to foreign nationals, as stated in paragraph 6 (1) will also be applicable, subject to such modifications as may be necessary in the circumstances of the case.

The c.i.f. value of the car will be the same as indicated in paragraph 1 above.

MISSIONARY/CHARITABLE/EDUCATIONAL INSTITUTIONS

10. (1) Requests for grant of Customs, clearance permits for import of Vehicles, buses, station wagon etc., required for educational/charitable/medical relief work may be considered on merits, subject to State Government's recommendation to the effect that the Institution is functioning for the benefits of the Community, irrespective of considerations of caste, colour or creed. The Institution shall have to declare that the vehicle etc., is a *bona fide* gift from abroad and that no payment is required to be made from India.

(2) Applications for the grant of custom clearance permit should be made in the form given in Annexure V.

11. Cases not covered by the above provisions will be dealt with *ad hoc* in accordance with the rules and regulations in force from time to time.

12. Persons negotiating the purchase of vehicle imported against CCP issued in the above cases, should in their own interest ensure that the vehicle is free from the condition of the CCP/bond and that it is not being sold etc in violation of these condition.

13. Applications for import of special type of car fitted with disability controls/devices, as gift or otherwise within the c.i.f. value of Rs. 35,000/- will also be considered. The application is to be made in the form as shown in Annexure 6 to this Appendix and is to be supported by a T.R. of Rs. 50/-. The essential documents that are required to be furnished along with the applications have been spelt out under column 13 of the applications form."

ANNEXURE I TO APPENDIX 27

Application form for an Import Trade Control licence to import a built-up car station wagon, jeep, mini car or motor cycle, scooter, auto cycle by an Indian National returning to India for permanent settlement

1. Name of the applicant.
2. Nationality.
3. Designation.
4. Full address abroad.
5. Full address in India.
6. Purpose of visit abroad (out of India).
7. Duration and continuous stay (without break) abroad. (out of India).
8. Proposed date of leaving for India and arrival in India.
9. Likely period of stay in India.
10. Make and model of the vehicle and c.i.f. value.
11. Date of purchase. (In the case of vehicles acquired on hire purchase, the date of final acquisition of the vehicle.)
12. Date of registration and period of ownership and use.
13. Manner in which foreign exchange was found for purchase of vehicle.
14. Foreign exchange taken/drawn under permission from Reserve Bank of India with actual date of drawal for purchase of car or otherwise :
(a) Basic quota :
(b) Special quota :
15. Total amount of foreign exchange remitted to India if any, with details.
16. Purpose for which the car was needed abroad and is needed in India.
17. Whether applicant, his wife/husband or dependent has already imported a in, or any other vehicle into India previously, if

APPENDIX 27—Contd.

so, give particulars of the same mentioning import licence number and date

18. Whether an application for import of car etc., was made previously and if so, with what result C.C.I. & E reference should be quoted.
19. Whether a treasury receipt for the requisite amount as application fee is enclosed Indicate amount.
20. (a) Proposed date of shipment of car.
- (b) port of shipment of car abroad.
- (c) port of registration of licence in India.
- (d) port of disembarkation in India.
21. Documents to be enclosed to the application.
 - (a) Photostat copy of the purchase invoice/receipt.
 - (b) Photostat copy of the registration certificate.
 - (c) Statement of earnings abroad duly certified by the employers or bankers, or production of Incometax returns, for a period prior to the purchase of the car.
 - (d) Bankers certificate of repatriation of foreign exchange from abroad, if any.
 - (e) An affidavit on a stamp paper about return to India for permanent settlement duly counter-signed by a representative of India or a High Commission, or Embassy of India. (In the case of Persons returning from U.K., an affidavit duly counter-signed by a Notary Public in U.K. will be acceptable).
 - (f) A treasury receipt for the requisite amount.

I/We hereby declare that the above statements are correct. I/we fully understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation without prejudice to any other action that may be taken under the law, if it is found that any of the statements or part thereof is incorrect.

(Signature)

Place & Date.

NOTE;

1. The documents mentioned at 21(c) to (f) should be submitted in original.
2. Authenticated English translation of the documents in language other than English, may also be submitted alongwith the application, duly attested by Notary Public/oath Commissioner 1st class Magistrate or any other competent authority.

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ANNEXURE

SPECIMEN BOND FORM TO BE EXECUTED BY IMPORTERS OF CARS ETC. AS PERSONAL BAGGAGE

KNOW ALL MEN BY THESE PRESENTS that We (1) of (hereinafter called the importer' which expression shall where the context so admits include his/their/respective heirs, executors, administrators and legal representatives/successors and permitted assigns) and (2) of (hereinafter called 'the surety' which expression shall where the context so admits include his/their respective heirs, executors, administrators and legal representatives/successors and permitted assigns) are held and firmly bound jointly and severally unto the President of India to pay to the President of India through the Joint/Deputy Chief Controller of Imports and Exports.... for the time being on demand and without demur the sum of Rs..... for which payment will and truly to be made we bind ourselves firmly by these presents.

Dated this the day of 197 .
Whereas the Joint/Deputy Chief Controller of Imports & Exports, Government of India..... (herein referred to as the said Joint/Dy. Chief Controller of Imports & Exports which expression shall include the person for the time being performing the duties of the Joint/Dy. Chief controller of Imports & Exports.....) has permitted clearance of..... more fully described in the Scheduled hereunder written imported in India by the importer.

Now the conditions of the above written bond are such that :—

1. If the said importer re-exports the car at the time of his leaving from this country or had taken prior permission of I.T.C. authority for leaving the car in India while proceeding abroad for a period exceeding six months.

and

2. If the said importer shall not sell, pledge, mortgage, hypothecate or part with the possession of the said car or otherwise dispose of the car, then the above written bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue. And it is hereby fully agreed and declared between the parties as follows :—

(a) That the above written bond shall remain in full force and effect for the period of years from the date of importation of the said and shall be deemed to be renewed for such further period as the Joint/Dy. Chief Controller of Imports & Exports may require any time before the expiry of the said period;

(b) Any forbearance act or omission on the part of the President of India to enforce the bond against the importer (whether with or without the knowledge or consent of the surety) shall not in any way release the said surety from his liability under the above written bond;

(c) That this bond is entered into under the orders of the Central Government for the performance of an act in which the Public are interested;

(d) The Importer shall produce evidence that the car is in his possession and ownership whenever demanded by the Chief Controller of Imports and Exports or any licensing authority; and

(e) The importers shall not leave the car in India while going abroad except on short visits for which permission from the licensing authorities shall be obtained for leaving the car with his close relations.

(f) Any breach of terms and conditions of this bond will render the importer liable to penalties as provided under the Imports (Control) Order, 1955, an amended, over and above this liability for payment of the amount of the bond.

SCHEDULE OF GOODS FOR CLEARANCE

AS WITNESS THE hands of the parties the days of 19.....

Signed by the above named importer in the presence of...
..... Signed by the above named surety, in the presence of.....

APPENDIX-27—Contd.

Accepted by.....
for and on behalf of the President
of India

ANNEXURE III

Application form for an Import Trade Control licence to import built-up car, station wagon jeep mini car or motor cycles, scooter, auto-cycle by a *Foreign National* coming from abroad

1. Name of the applicant.
2. Nationality.
 - (i) Foreign National
 - (ii) Foreign National of Indian origin.
3. Designation.
4. Full address abroad, (out of India)
5. Purpose of visit out of India.
6. Duration of last stay out of India.
7. Full address in India.
8. Make and model of vehicle with c.i.f. value.
9. Date of purchase and date of registration in the name of the applicant.
10. Period of ownership and use.
11. Manner in which foreign exchange was found out of India for purchase of the vehicle stating clearly whether from personal funds.
12. Likely period of stay in India
13. Full particulars of the purpose of stay in India and period of assignment in India.
14. Purpose for which the car is needed in India.
15. Whether the applicant/his wife/her husband or dependent has already imported or got on transfer an imported vehicle from another foreign national, during preceding ten years. If so, give particulars of cars etc., and import licence number and date.
16. Whether an application for import of car etc. was made previously and, if to, with what result C.C.I. & E's reference should be quoted.
17. Proposed date of leaving for India and arrival.
18. (a) Proposed date of shipment of vehicle.
 - b Port of shipment from abroad.
 - c) Port of registration of licence in India.
 - d) Port of disembarkation of car in India.
- 19 Whether a treasury receipt in original for the requisite amount as application fee is enclosed? Indicate amount,

20 Documents to be enclosed to the application :

- (a) Photostat copy of the purchase invoice/receipt.
- (b) Photostat copy of the registration certificate.
- (c) A certificate from the employer in India giving particulars and period of assignment in India.
- (d) A treasury receipt for the requisite amount.

NOTE.—Documents not in English should be forwarded duly translated in English and attested by Notary Public/Oath Commissioner/1st Class Magistrate or any other competent authority.

I/We hereby declare that the above statements are correct. I/We fully understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation without prejudice to any other action that may be taken under the law, if it is found that any of the statements or part thereof is incorrect.

Place :

Date :

.....
Signature

ANNEXURE IV

APPLICATION FORM FOR IMPORT OF CARS BY

1. Companies which are wholly foreign corporate entities and are operating through branches in India.
2. Foreign banks. operating through branches in India.
3. Institutions of foreign origin, wholly financed in foreign exchange.
4. Whole time resident representatives of category 1 to 3 and 51
5. Correspondents of foreign news papers or news agencies getting pay in foreign exchange.
6. Rupee Companies.
1. Name of the applicant:—
 - (a) Nationality. (Applicable for Categories 4 & 5 only).
 - (b) Designation.
2. Full registered address abroad. (out of India)
3. Full registered address in India.
4. Nature of business.
5. Make and mode of vehicle with c.i.f. value.
6. Manner in which foreign exchange was found outside India for purchase of vehicle. Stating clearly that the vehicle is personal property of individual or Institution.
7. Purpose for which the car is needed.
8. (i) No of branches with their addresses in India.
 - (ii) No. of other offices in India, if any.

APPENDIX 27—Contd.

9. No. of foreign technicians employed in India by the foreign India co., and number of those who are in possession of either foreign car imported or transferred in their name; or indigenous cars secured on priority allotment. (Applicable to all categories 1 to 5), C.C.P. and date in each case to be given.
10. Details of import of cars if any, imported or obtained in transfer from a foreign national during the last ten year, including vehicles imported by branches in the case of foreign banks/foreign companies/foreign institutions.
11. (a) Proposed date of shipment of car
(b) Port of Shipment of car abroad. (out of India).
(c) Port of registration of licence in India.
(d) Port of disembarkation of car in India.
12. Whether an application for import of car was made previously; and if so, with what result? C. C. I. & E. reference should be quoted with C.C.P. No. and date if any.
- 13 Documents to be enclosed :—
 - (a) Foreign Principals' employer's letter offering to provide the car, etc. and to make payment of duty in foreign exchange.
 - (b) Photostat copy of the purchase invoice/receipt
 - (c) A treasury receipt for the requisite amount, as application fee
 - (d) Photostat copy of regn. certificate (Applicable to category 4).
3. Make and model of the vehicle with c.i.f. value
7. Whether applicant has already imported a vehicle into India during preceding ten years. If so, give particulars of the vehicle, and import licence number and date.
8. (a) Proposed date of shipment of car
(b) Port of shipment of car abroad
(c) Port of registration of licence in India.
(d) Port of disembarkation in India.
9. Documents to be enclosed to the application.
 - (a) Donors letter in original offering free gift of the vehicle.
 - (b) Concerned State Govt. authorities recommendation, in original about the secular nature of the activities of the applicant and the essentiality of import.
 - (c) Photostate copy of the purchase invoice.
 - (d) A treasury receipt for the requisite amount, as application fee.

I/We hereby declare that the above statements are correct. I/We fully understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation without prejudice to any other action that may be taken under the law, if it is found that any of the statements or part thereof is incorrect.

Place :

Date :

(Signature)

ANNEXURE VI

Application form for an Import Trade Control Licence to import a built-up invalid car by disabled *Indian National* permanently settled in India.

1. Name of the applicant :
2. Nationality :
3. Designation/Nature of business :
4. Full address in India :
5. Make and model of the vehicle and full description of the specially suggested devices/gadgets with c.i.f. value (It should not exceeds Rs. 25,000/- CIF) :
6. Manner in which foreign exchange will be found for purchase of vehicle :
7. If it is a gift, relationship of the donor :
8. Purpose for which the car is needed in India (full justification to be given) :
9. Whether applicant, his wife/husband or dependent has already imported a car, or any other vehicle into India

ANNEXURE V

Application form for Import of Gift Vehicles by Educational and Medical Institution of a Charitable Nature

1. Name of the Institution.
2. Full address in India,
3. Nature of activities.
4. Purpose for which the vehicle/car is needed in India.
5. Manner in which foreign exchange has been found out of India for purchase of the vehicle,

(Signature)

Place
Date

APPENDIX 27—*Concl.*

previously. If so, give particulars of the same, mentioning import licence number and date :

10. Whether an application for import of car etc., was made previously and if so, with what result? CCI&E's reference should be quoted :
11. Whether a treasury receipt for the requisite amount as application fee is enclosed? Indicate amount :
12. Proposed date of shipment of car and the port of disembarkation :
13. Documents to be enclosed to the application :
14. (i) T.R. for Rs. 50/- as application fee which can be deposited at any Govt. Treasury of office of the Reserve/State Bank of India for credit to the Central Government under the Head 'Import Export Trade Control Organisation-104 Other General Economic Services'. No postal orders/bank drafts or cheques will be accepted;
15. (ii) Medical Certificate from the Civil Surgeon of the concerned State in India competent Army Medical Authority (DG AFMS & CRO of the Ministry of Defence) in case disabled officer of Indian Army certifying the type of physical disability of the applicant and whether

the applicant would be in a position to drive the car personally with the specially suggested gadgets for the car;

- (iii) Essentiality Certificate from the employer/or concerned appropriate authority;
- (iv) Documentary evidence of earnings i.e., employers certificate/Income-tax certificate etc. to establish that the applicant is in a financial position to purchase/maintain the car;
- (v) Affidavits duly sworn before a 1st Class Magistrate etc. that the applicant is permanently settled in India;
- (vi) Descriptive literature of car & special devices proposed to be imported with invoice; and
- (vii) If the car is imported as a gift, a certificate from donor certifying that he-
has a sufficient Bank balance and is in a position to finance the purchase of the car/donate the car.

I/We hereby declare that the above statements are correct. I/We fully understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation without prejudice to any other action that may be taken under the law, if it is found that any or the statements of part thereof is incorrect.

(Signature)

Name in Block letters

Designation

Residential Address

Place :

Date :

APPENDIX 28

(Chapter XVI)

(A)

Form of Bond for Clearance of Restricted Goods

Know all men by these presents that where as the collector of Customs.....hercafter referred to as the 'said Collector' which expression shall include the person for the time being performing the duties of the Collector of Customs.....has permitted the clearance of the goods in the shedule here under written. We (i).....(importers) (2).....(surety) do hereby bind ourselves and each of us and each of our heirs executors, administrators and legal representatives, jointly and severally with the President of India to pay the said Collector for the time being the sum of Rs..... subject to the conditions written herein below :—

(b) that this bond is entered into under the orders of the Central Government for the performance of the act in which the public are interested;

Schedule of goods cleared

No. date	Description of goods	Quantity	Country of origin	Port of Shipment	Value of Goods
(1)	(Importers)			(2) (Surety)	

Signed, sealed and delivered by the above named in the presence of :

Witness

(a) Any forbearance on the part of the President or any other officer shall not in any way release, the said surety, his heirs and representatives from his or their liability under the above written bond; and

Accepted for and on behalf of the President of India;

Assistant Collector of Customs

(B)

Form of Letter of Guarantee

In consideration of the Collector of Customs allowing us.....(importers) to clear the undermentioned goods without production of the original import licence mentioned below, we hereby undertake to produce within the month from this date the said original licence already granted to us by Government to cover *inter alia* the

undermentioned goods imported by us bearing licence no.... date.....which.....has been sent by to the Chief Controller of Imports, New Delhi/Collector of Customs, for revalidation/clearance of other goods covered by the said licence.

Bill of entry No. & date	Description of goods	Supplier's name	quantity	Country of origin	Port of Shipment & date	Value of goods
--------------------------	----------------------	-----------------	----------	-------------------	-------------------------	----------------

In the event of our failure to produce the original licence within the period specified above or within such extended time as the Collector of Customs.....may in his absolute discretion allow (and in this respect time shall be the essence of arrangement), we.....(importers) hereby agree to pay to the President of India the sum of Rs..... whenever called upon to do so together with such penalty as may be imposed on us by the Customs authorities in respect of the above mentioned goods, We and(surety) guarantee to the President of India due payment of the said sum of Rs..... and the said penalty so to be imposed as aforesaid. And is agreed and declared that :

(b) This agreement is entered into under the orders of the Central Government for the performance of an act in which the Public are interested.

Signature of Importer.....

Dated

Signature of Surety.....

(a) Any forbearance or indulgence to the importer on the part of the President of India or any officer of Government shall not in any way release the said (surety) their heirs, so successors or legal representatives from their liability under this agreement ; and

Accepted for and on behalf of the President of India,

Assistant Collector of Customs.

APPENDIX 29

(Para 312 of Chapter XVII)

Copy of Ministry of Commerce Public Notice No. 60 ITC (PN) 50 dt. 21-7-1950)

SUBJECT—*Clearance of merchandise financed by Exchange Bank in India in the event of licence holders not having honoured the bills drawn under the confirmed letters of credit.*

It has been represented by certain Banks Association that in the event of negotiation under a confirmed irrevocable letter of credit being dishonoured by the drawee the Bank has to implement its undertaking under the credit to remit the foreign exchange in payment but in the absence of a valid import licence made out in its own name, it is unable to clear the goods from the Customs.

2. In order to avoid this difficulty it has been decided that all licence will hereafter be issued subject to the following condition which will be endorsed on the licence. "It is a condition of this licence that where an irrevocable letter of credit is opened by the holder of the licence to finance the import of any goods covered there by then the authorised dealer in foreign exchange through whom the letter of credit is opened shall be deemed to be a joint holder of his licence to the extent of the goods covered by the credit.

3. The effect of the endorsement will be that where letter of credit has been opened against a valid import licence and on arrival of the goods the licence holder does not honour the bills drawn against the letter of credit and does not produce the licence for the clearance of the goods, the Bank which has opened the letter of credit will never the less be able to clear the goods through the customs and remit foreign

exchange to the foreign suppliers in whose favour the credit was opened by debit to the licence in question.

4. In this respect the following procedure will be observed with immediate effect.

(i) The Bank clearing the goods in such cases will provide the Customs certificates to the effect that the import has been made and that foreign currency has been remitted by the Banks or its agents under the authority of valid import licence and a confirmed irrevocable letter of credit.

(ii) They will also produce the exchange control copy of the licence or if this is not available they will furnish full particulars of the licence and of the licensee.

(iii) At the time of clearance the value of the goods will be debited to the concerned in the licence register maintained by the Customs House with an indication that clearance has been effected by the Banks. If and when the Customs copy of the import licence is produced subsequently by the original licensee the fact that some of the goods falling under the licence have already been cleared, will become immediately apparent and the Customs House will then endorse necessary debit on the licence itself.

(iv) To ensure that the Customs copy of the import licence is not utilised at some other port intimation of such clearances by banks will be sent by the Customs to all other ports giving the balance for which the licence is valid.

APPENDIX 30

(Chapter XVI)

Interview SlipSerial No.

1. Name and address of the applicant

2. Name of representative with.....
designation and his connection.....
with the firm

3. Officer to be interviewed.....

4. Date of desired interview

5. Number and date of :—

(a) Application

(b) Acknowledgement, and

(c) any subsequent communi-
cation received and replied.....

6. (a) Category of application

(b) Brief description of goods

(c) Part and serial of ITC
schedule

(d) CIF. value

(e) Industry to which applica-
tion pertains7. No. and date under which the.....
application is forwarded/.....
recommended by any other8. Brief resume of points for discussion.....
(use reverse form if necessary),.....9. Whether any officer was inter-
viewed for this case; or
position obtained if so,
when ?
Interview timings.Signature and status of the represen-
tative.....

Residential address.....

Telephone No.....

Remarks of the Enquiry office

N.B. :—Separate form should be used for each application

CONTERFOIL

S. No.Date : Stamp:

1. Name of applicant.

2. Name of the representative.

3. Officer to be interviewed.

4. Date and time of interview.

Signature of the Enquiry Officer

APPENDIX 31

(Chapter XVII)

Condition of licences

Import licences are issued under the provision of the Import (Control) Order 1955 dated the 7th December, 1955, as amended.

2. The licences issued under the aforesaid Order are subject to such conditions as may be imposed by the licensing authority while issuing the licence or which may otherwise be applicable to the licence under clause 5 of the Order.

3. The following shall be deemed to be condition of every licence issued under the said Order :—

- (i) no person shall transfer and no person shall acquire by transfers any licence issued by the licensing authority except under and in accordance with the written permission of the authority which granted the licence or any other person empowered in this behalf by such authority.
- (ii) that the goods for the import which a licence is granted shall be the property of the licence at the time of import and thereafter up to the time of clearance through Customs.
- (iii) the goods for the import, of which a licence is granted shall be new goods other than disposal of goods and, unless other wise stated in the licence.

Provided that the condition under item (i) and (ii) of the subclause shall not apply in relation to licences issued to the State Trading Corporation of India. The Minerals and Metals Trading Corporation of India and other institutions or agencies owned or controlled by the Central Government and which are entrusted with canalisation of imports.

Provided further that the conditions under item (i) and (ii) of this sub-clause shall also not apply in relation to licences issued to export houses for import of goods meant for disposal to actual users under the import policy for registered exporters.

4. The following conditions shall also apply to every import licence :—

- (a) Where an irrevocable letter of credit is opened by the holder of the licence to finance the import of any goods covered thereby then the authorised dealer in foreign exchange, through whom the credit is opened shall be deemed to be joint holder of the licence to the extent of the goods covered by the credit.
- (b) payments authorised to be made against the licence shall not cover any commission discount or like rebates allowed by the foreign suppliers/manufacturers to the importers agent.

Conditions regarding use of disposal of imported goods

5. Import licences issued to actual users shall be subject to the condition that the licensee shall use the material imported thereunder only for the purpose for which the licence has been issued and no portion thereof shall be sold, disposed of or utilised in any other manner without the written permission of the licensing authority.

6. Import licences for raw materials, components and spares shall be subject to the following condition *inter alia* :—

“This licence is issued subject to the condition that all items of goods imported under it shall be used only in the licence holder's factory at the address shown in the application against which the licence is issued and for the purpose for which the licence is issued or may be processed in the factory of another manufacturing unit but no portion thereof shall be sold to any party or utilised permitted to be utilised in any other manner. The goods so processed in another factory shall, however, be utilised in the manufacturing process undertaken by the licensee. The licensee shall maintain a proper account of consumption and utilization of the goods imported against the licence in the prescribed manner and produce such accounts to the licensing authority, sponsoring authority or any other concerned authority within such time as may be specified by such authority’.

7. Import licences issued to actual users under the import policy, for Registered Exporters shall also be subject to the

condition indicated in paragraph 6 above, except where otherwise provided on the licence.

8. C.G./HEP licences, i.e. those issued to actual users for import of capital goods machinery, heavy electrical plant or machine tools shall be subject to the following condition *inter alia*.

- (a) the goods imported under the licence shall be utilised in the licence holder's factory for which imports have been approved at the address shown in the application against which the licence is issued and for the purpose for which the licence is issued and that no portion thereof shall be sold or transferred or be permitted to be utilised by any other party or pledged with any financier other than Banks authorised to deal in the foreign exchange and State Financial Corporation, provided that particulars of goods to be pledged are reported by the licensee in advance to the licensing authority.
- (b) The import of the spare parts against this licence shall be governed by the provision of paragraph 151 of the Import Trade Control Hand Book of rules and procedure in force at the time of shipment of the goods.
- (c) The goods covered by the licence shall be used for the manufacture of name of end product (s) and for the capacity licence under the Industries (Dev. & Reg.) Act, 1951 or approved by Government.
- (d) a half yearly return in the prescribed proforma shall be furnished by licensee to the Director of statistics, Office of the Chief Controller of Import & Exports, New Delhi, indicating the progress in utilisation of the licence by way of order placed/letter of credit opened the actual imports and remittance made against the licence as on 28th February and 31st August each year together with expected dates of future shipments. The return for each half year shall be furnished within a period of 15 days from the half year as indicated.

9. Import licences to actual users for machine tools shall also be subject to the following conditions :—

“This licence is issued subject to the condition that the particulars of goods i.e. machine tools imported against it shall be furnished by the licensee to the Customs authorities in the prescribed proforma along with bill of entry at the time of clearance of goods.”

The proforma prescribed for this purpose is given in Appendix 23.

Condition regarding limiting factor

10. Import licences for raw materials components and spares issued to actual users, including those under the import policy for Registered Exporters shall be subject to value' as limiting factor. The licensee may import any items (so covered) by his licence, without any limit of quantity, or value provided the total import does not exceed there over all face value of the licence. However in respect of any item (s) covered by the licence, a face value restriction, or value limit or limit or quantity limit has been indicated in the licence or made applicable the licence can import such item (s) more in value or quantity as the case may be not exceeding 10 percent of the specified value limit or quantity limit or face value restriction provided the total import does not exceed the overall face value of the licence.

11. Import licences issued to actual users for import of capital goods machinery and equipment shall be subject to both 'quantity' and 'value' as limiting factor. It shall not be open to a licensee to import goods in excess of the quantity against the item covered by the licence.

Other Conditions

12. Import licences shall be subject to such conditions as may be imposed by the licensing authority or which may be applicable to a licence under the relevant import policy.

*The proforma prescribed for this purpose is given in Appendix 22.

APPENDIX 32

(Paragraph 98 of Chapter IV)

Proforma to be attached to the Application Form 'E' for the import of proto types of Machinery/Instruments by Actual Users.

(To be filled in by the applicant for use in the licensing office)

1. Name with full postal address of the applicant :
2. Reference number and date of the letter/application with which this proforma is attached.
3. Main description of the proto-types of machinery/instruments with quantity there of :
4. Serial No. and Part of the I.T.C. Schedule under which the proto-types of machinery/Instruments will be covered.
5. Whether the applicant unit is already in production of the type of machinery/instrument for which proto-type is required and if so,
 - (i) Whether the plant and capital machinery for manufacturing purposes is already installed? If not—
 - (ii) Whether C.G. application for import of capital machinery or other items has been made in accordance with regulation of C.G. Scheme published from time to time? If so;
 - (iii) Whether the scheme for manufacture of the items (for which proto-type is required) has been approved and necessary C.G. import licence granted/or necessary capital plant imported if so, please give full particulars thereof along with numbers of import licences granted etc.
 - (iv) Whether firm orders have been placed for procurement of indigenous capital machinery.
6. Is the item of the proto-type of the machinery/instrument, required to be tested and approved by some competent authority before taking up the manufacture of that type of item.

7. Will the manufacture of the item for which proto-type is required involve any additional import of capital machinery/raw materials/components (in the case of existing units already in production). If so, give full details with quantity and c.i.f. value on annual basis.

8. Whether the import of proto-type will involve grant of foreign exchange or will be provided by the foreign suppliers free of charges on c.i.f. basis. Please enclose Proforma invoice on c.i.f. basis from the foreign suppliers.

9. Whether the manufacture of items for which the imported proto-type is required will involve any financial/technical foreign collaboration. If so whether approval of the Government for entering into such collaboration has been obtained (Please attach photo attested copies of approval letter of the Government in this regard.

I/We hereby declare that (a) the item of Proto-types of machinery/instrument applied for import *vide* column 3 of the above proforma will not be used for manufacturing purposes except as proto-type (b) the items of imported proto-types will not be sold hired out or disposed of otherwise without the prior written permission of the licensing authority; and (c) the items of imported proto-types will always be available for examination in our manufacturing works, at..... in assembled or broken down condition whatever it may be.

Signature

Name in block Letters.....

Designation

Residential address.....

Station.....

Date.....

APPENDIX 33

(Chapter V and Chapter XVII)

Specimen Bond Form

If the importer/surety is the sole proprietor of the business after giving his name and address it may be added "this heirs, executors and administrators."

Know All Men by these presents that we' (1) of (hereinafter referred to as "the importers" (which expression shall include his/their successors and assigns and (2).

If the Importer/surety is a firm of partnership, it may be added "partners for the time being of the said firm and the surveyors or firm and their respective heirs executors and administrators." of (hereinafter referred to as "the surety") which expression shall unless excluded by or repugnant to the context, include its successors and assigns are jointly and severally held and firmly bound unto the President of India hereinafter called "The Government in the sum of Rs. to be paid to the said Government or its successors and assigns for which payment we bind ourselves and each of us and each of our heirs, executors, administrators, successors and assigns (strike out the words which are not applicable) jointly and severally by these presentsdated this date of

If the Importer/surety is a limited company it may be added its successors and assigns. Whereas the Joint Chief controller of Imports and Exports (hereinafter referred to as the Joint Chief Controller which expression shall include the person for the time being performing the duties of the said Joint Chief Controller has permitted the importation and clearance of the goods specified in the Schedule hereunder written (hereinafter referred to as "the imported goods") against Licence No., dated at the port of of certain terms and condition

AND WHEREAS one of the terms provided that the Importers will execute a bond along with one sufficient surety in the manner hereinabove written with such conditions as are hereunder.

NOW THE CONDITIONS OF THE ABOVE WRITTEN BOND IS SUCH that firstly if the said importers shall within six months from or such further time as may be granted by the said Joint Chief Controller of Import and export ... of the value equal to the c.i.f. value of the imported goods to foreign countries excluding Nepal, Tibet, and Bhutan,

Secondly if the said importers and/or their surety shall procure and deliver or cause to be produced and delivered to the Joint Chief Controller within One month from the date of expiry of the aforesaid period evidence to prove that the said of the value equal to present of the c.i.f. value of the imported goods have been exported as aforesaid and also evidence such as bills of lading invoices, bank certificate etc., showing that the rupee equivalent of the foreign exchange received in payment of the f.o.b. value of the goods so export is not less than per cent of the c.i.f. value of the imported goods against the aforesaid licences, than the above written bond shall be void and of no effect. Otherwise, the bond will remain in full force and virtue, AND IT IS HEREBY DECLARED THAT

- (a) The above written bond shall remain in full force and effect for a period of years from the date of importation of the said imported goods.
- (b) Any forbearance act or omission on the part of the Government in enforcing the conditions of the aforesaid bond against the importer or any time being granted or any indulgence by the Government to the importers in connection therewith shall not discharge the surety.
- (c) That this bond is entered into under the orders of the Central Government for the performance of an Act in which the public are interested.
- (d) That the payment of the amount of the bond will not affect the liability of the importers to any other action (including refusal of further licences) that may be taken under the Import Trade Control regulations.

The stamp duty on this bond has been agreed to be paid by the Government.

Schedule of the imported goods referred to above.

IN WITNESS WHEREOF the parties hereto have duly executed these present day and the year first above written.

Signed, sealed and delivered by the within named importers. In the presence of

- 1.
- 2.

(Witness should also give their occupation and address).

Signed, sealed and delivered by the within named surety in the presence of

- 1.
- 2.

(Witness should also give their occupation and address)
For and on behalf of the President of India

APPENDIX 34

(Para 97 of Chapter IV)

Release Order No. /

FORM OF RELEASE ORDER

Original for applicant. *Category*
 Duplicate for Canalising agency.
 Triplicate for Statistical purposes.
 Quaduplicate for Office record *Release agency*
Office Issue
Period of application

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

Office of the

To

M/s. (Name and address of the Allottee).

SUBJECT :—Allotment ofthrough the M.M.T.C./S.T.C.

Gentlemen,

With reference to your application/letter dated.....
on the above subject, I write to say that you may
 approach thefor obtaining the allotment of
 the goods mentioned below :—

S. No.	Description of the goods	I.T.C. S. No. and Part	Qty. limit if any Flg. words	I.f. value Figures words,
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2. This release order should be produced in original to the S.T.C./M.M.T.C.

3. This release order will be valid for a period of twelve months from the date of issue.

4. The release order is not transferable. It shall also be condition of this allotment that the imported materials received shall be used by the allottee in his own factory, at the address shown in the application against which the allotment is made, and for the purpose for which the allotment is made, or maybe processed in the factory or another Manufacturing unit but no portion there of shall be sold to any other party or utilised or permitted to be used in any other manner. The goods so processed in another factory shall, however, be utilised in the manufacturing process undertaken by the allottee. The allottee shall maintain a proper account of consumption and utilisation

of the imported material in the prescribed manner in the proforma appearing in Appendix 19 of the Import Trade Control Hand Book of Rules and Procedure 1976-77 and produce such account to the licensing authority, the sponsoring authority or any other authority concerned, within such time as may be specified by such authority.

5. Release order issued to an eligible export house shall be subject to the condition that the goods received shall be disposed of only to actual users engaged in export production or utilised for export production on the allottee's own account in the manufacturing establishment owned by others subject to such other condition and procedure as may be laid down. The allottee shall also maintain proper account of disposal and utilisation of imported material in the form and manner prescribed by the Ministry of Commerce, New Delhi.

6. The limiting factors will be both quantity and value in cases where both have been indicated. The provision of subparagraphs 84(1)(a) of the Import Trade Control Hand Book of Rules and procedure, 1976-77 will, however, be applicable.

7. It is a condition of the release order that it shall be registered with the canalising agency concerned within 60 days from the date of its issue, in accordance with the conditions prescribed by the canalising agency concerned. Failure on the part of the release order holder to register the release order within the stipulated time will render the release order invalid for being serviced by the canalising agency.

Yours faithfully

Dated

Controller of Imports and Exports
 for.....
 Seal.....

Issued from file No.

Endt. No.....dated.....

(1) M.M.T.C./S.T.C. (Attention.....) for necessary action.

Statement of release orders issued during the week endingmay please be referred to before action is taken on this advice.

2. (Sponsoring Authority) with reference to their letter U.O. No.....dated.....for information.

Controller of Imports & Exports
 for.....

APPENDIX 35

(Para 145 of Chapter VI)

Forms of Legal Agreement

PART I

FORM OF LEGAL AGREEMENT

(For execution by Limited Companies in cases involving export obligation in terms of value).

AN AGREEMENT made this day 197 . Between a company incorporated under the Companies Act, 1956 and having its Registered Office at (hereinafter referred to as "THE COMPANY" which expression shall include its successors and assigns) of the one Part And the PRESIDENT OF INDIA (hereinafter referred to as "GOVERNMENT" which expression shall include his successors in office and assigns) of the Other Part.

WHEREAS the Company has been granted an Import Licence No. dated for import of Plant machinery and equipment of the c.i.f. value of

AND/OR WHEREAS Government have communicated vide to the Company the terms and conditions of their proposed foreign investment/technical collaboration arrangement with M/s.

AND/OR WHEREAS Government have communicated to the Company vide letter of Intent No. dated the terms and conditions of acceptance of their proposal for a grant of Industrial Licence/substantial expansion of capacity.

AND WHEREAS as a condition of the said import licence for plant and equipment/approval of foreign collaboration/licence under the Industries Act or letter of intent, the Government has stipulated that the Company must earn foreign exchange to the extent of Rs. lakhs annually/over a period of years (or export percent of its products) annually for years/until such time as the full foreign exchange cost of the project) (or twice, or any other multiple, of the foreign exchange cost of the project) amounting to Rs. lakhs has been realised by way of export earnings. (The precise condition would be approved in each case by the C. G. Committee/Foreign Investment Board/Licensing Committee).

Now It Is Hereby Agreed and Declared by and between the parties hereto as follows.—

1. The Company shall earn foreign exchange (to the extent of Rs. Rupees..) by exporting (not less than Rs. lakhs/percent of) its product(s) namely annually for years/till such time as the total foreign exchange earning realised from the exports amount to Rs. Exports to Bhutan will not qualify for redemption of export obligation and exports to Nepal and Afghanistan, if made otherwise than against payment in free foreign exchange will not qualify for redemption of export obligation. Exports made in breach of the foreign collaboration agreement, if any, will also not qualify for redemption of export obligation.

2. The above mentioned export must commence from eighth month after the commissioning of the plant and equipment/commencement of production. The plant shall be commissioned within the date specified in the industrial licence. The production must commence on and from the.....

3. The company shall furnish a report within thirty days of the close of each financial year to the Chief Controller of Imports and Exports (Export Obligation Cell), New Delhi, with a

copy to the concerned Joint/Deputy Chief Controller of Imports Exports, and another copy to the Government of India in the Ministry of Commerce (Export Production Section), New Delhi; giving, in respect of the previous financial year (or part of financial year for the first year of operation of the export condition as per clause 2 thereof) the undermentioned particulars namely—

- (a) Production (in terms of quantity as well as book value, duly certified by a Chartered Accountant in practice who is not a Director or an employee of the Company or is the statutory auditor of the Company.
- (b) Exports (in terms of quantity and the f.o.b. value) with particulars of goods exported, their quantity and f.o.b. value, countries to which exported, duly certified by a Chartered Accountant in practice who is not a Director or an employee of the Company or is the Statutory auditor of the Company.

4. The Company shall also submit to the Chief Controller of Imports and Exports, New Delhi with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports, within six months of the close of each financial year, bank certificates in original showing realisation of foreign exchange against exports made during the previous year in fulfilment of the export obligation specified herein and such other documents as may be demanded by the Chief Controller or concerned joint/Deputy Chief Controller of Imports and Exports, as further evidence in support of the foreign exchange earned in the previous year in fulfilment of the term and conditions of this agreement.

5. If in any given year, the Company fails and/or neglects or is not able to export goods worth Rs. lakhs (..... per cent of its output) then in such an event the company shall, on being called upon to do so by the concerned Joint/Deputy Chief Controller of Imports & Exports or Chief Controller of Imports & Exports, New Delhi, by a letter handover within 30 (Thirty) days from the date of the said letter to the State Trading Corporation of India Ltd., or such other person, firm, or body corporate as the Government of C.C.I. & E., New Delhi may nominate (hereinafter referred to as "THE AGENCY") equal to the difference between the stipulated annual commitment/obligation and actual exports (subject to a maximum of percent) of produced during the year for export by the Agency at such prices as it is able to obtain abroad. The Company shall, in addition, pay simultaneously a sum of Rs. lakhs. (This would be equal to 5 percent of the export obligation subject to a maximum of Rs. 5 lakhs) by way of "liquidated damages" to the Agency. The Agency after export and realisation of sale proceed of the aforesaid as expeditiously as possible, shall give to the Company the rupee equivalent of the net foreign exchange earned by the Agency on such export after deducting such expenses (including the Agency's normal Commission) as have been incurred by the Agency.

6. The value and/or the quantity representing the difference between the stipulated annual export commitment/obligation and the actual exports made and also the amount representing 5 percent of the annual export obligation by way of liquidated damages shall be determined by the Joint/Deputy Chief Controller of Imports & Exports or Chief Controller of Imports & Exports New Delhi and the decision made by any of the said authorities shall be final and binding on the Company. While determining the value and/or quantity the said authority, of considered necessary may on their discretion give opportunity to the Company to produce such evidence as it can in support of the determination of the value and quantity for this purpose.

7. If in any year the Company exports in excess of percent of its output/in excess of Rs. as required in terms of the condition, laid down herein, such excess may be set off against the shortfalls, if any, in subsequent year(s).

APPENDIX 35—Contd.

the event of the Company failing and/or neglecting to fulfil the obligations on its part in any year save and except only when the fulfilment of such obligations was prevented or delayed because of or due to any law, order, proclamation, regulation or ordinances of the Government, the Government will be entitled and be at liberty to take possession of produced by the Company to the extent as indicated in clause 6 above and take such other action as it may consider necessary in addition to recovering liquidated damages. Any order issued by the Government in this regard shall be final and binding on the Company which hereby undertakes to comply unconditionally with such an order.

9. The stamp duty if any chargeable on these presents or any documents executed hereunder shall be borne exclusively by the Company.

In Witness Where of the Common Seal of has been hereunto affixed and for and on behalf of the President of India Shri has set and subscribed his hands hereunto.

Common Seal of the within named Company has been affixed hereunto in the presence of Shri.

Signatures :—

..... (i)
(Residential Address)
Director, for and on behalf of
and (ii) Shri (ii)
(Residential address).

.....
Director, for and on behalf of
who have been duly authorised for the purpose by a resolution of Board of Directors of the Company passed at the meeting held on and who have signed in the presence of—

1. (name, designation & address)

2. (name, designation & address)
ned for and on behalf of the

President of India by
Shri
in the presence of—

1. (name, designation & address)

2. (name, designation & address).

PART II

FORM OF LEGAL AGREEMENT

(For execution by Limited Companies involving export obligation of *Single Item* in terms of some percentage of production).

AN AGREEMENT made this day of 197 Between a company incorporated under the Companies Act, 1956 and having its Registered Office at (hereinafter referred to as "THE COMPANY" which expression shall include its successors and assigns) of the One Part and the PRESIDENT OF INDIA (hereinafter referred to as "GOVERNMENT" which expression shall include his successors in office and assigns) of the Other Part.

WHEREAS the Company has been granted an Import Licence No. dated for import of plant, machinery and equipment of the c.i.f. value of

AND/OR WHEREAS Government have communicated vide to the Company the terms and conditions of their proposed foreign investment/technical collaboration arrangement with M/s

AND/OR WHEREAS Government have communicated to the Company vide letter of Intent No. dated the terms and conditions of acceptance of their proposal for a grant of Industrial Licence/substantial expansion of capacity.

AND WHEREAS as a condition of the said import licence for plant and equipment/approval of foreign collaboration licence under the Industries Act or letter of intent, the Government has stipulated that the Company must earn foreign exchange by exporting percent of its production of annually for years. (The precise condition would be approved in each case by the G. G. Committee/Foreign Investment Board/Licensing Committee).

Now It is Hereby Agreed And Declared by and between the parties hereto as follows :—

1. The Company shall export percent of its annual production of for a period of years, Export to Bhutan will not qualify for redemption of export obligation and exports to Nepal and Afghanistan, if made otherwise than against payment in free foreign exchange, will not qualify for redemption of export obligation. Exports made in breach of the foreign collaboration agreement, if any, will also not qualify for redemption of export obligation.

2. The above-mentioned export must commence from eighteenth month after the commission of the plant and equipment/commencement of production. (The plant shall be commissioned within the date specified in the Industrial Licence). The production must commence on and from the

3. The Company shall furnish a report within thirty days of the close of each financial year to the Chief Controller of Imports and Exports (Export Obligation Cell), New Delhi, with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports, and another copy to the government of India in the Ministry of commerce (Export Production Section), New Delhi, giving in respect of the previous financial year (or part of financial year for the first year of operation of the export condition as per clause 2 hereof) the undermentioned information and particulars namely :—

- (a) Production (in terms of quantity as well as value to be calculated on the basis of exfactory cost of production per unit of produced by the Company after deducting therefrom excise duty, if any, included therein) and the said data shall be duly certified by a Cost Accountant (in practice) who is not a director or an employee of the Company.
- (b) Exports (in terms of quantity and the f.o.b. value) with particulars of goods exported, the quantity and f. o. b. value and countries to which exported, duly certified by a Chartered Accountant in practice who is not a director or an employee of the Company or is the statutory auditor of the Company.

APPENDIX 35—Contd.

4. The Company shall also submit to the Chief Controller of Imports & Exports, New Delhi, with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports, within six months of the close of each financial year, bank certificates in original showing realisation of foreign exchange against exports made during the previous year in fulfilment of the export obligation specified herein and such other documents as may be demanded by the Chief Controller of Imports and Exports, New Delhi, or the concerned Joint/Deputy Controller of Imports and Exports as further evidence in support of the foreign exchange earned in the previous year in fulfilment of the terms and conditions of this agreement.

5. If in any given year, the Company fails and/or neglects or is not able to export percent of its production of then in such an event the Company shall, on being called upon to do so by the Chief Controller of Imports & Exports, New Delhi or Joint Deputy/Chief Controller of Imports & Exports, by a letter, handover within thirty days from the date of the said letter to the state Trading Corporation of India Ltd. or such other person, firm or body corporate as the Government or Chief Controller of Imports & Exports, New Delhi may nominate (hereinafter referred to as "The Agency") equal to the difference between the stipulated annual commitment/obligation and actual exports of produced during the year (subject to a maximum of percent of the production for that particular year, for export by the Agency at such price as it is able to obtain abroad. The Company shall in addition pay simultaneously a sum equal to 5% of the export obligation subject to a maximum of Rs. 5 lakhs by way of liquidated damages to the Agency. The agency after export and realisation of sale proceeds of the aforesaid as expeditiously as possible shall give to the company the rupee equivalent of the net foreign exchange earned by the Agency on such export after deducting such expenses (including the agency's normal commission) which have been incurred by the Agency. The amount of liquidated damages will be calculated on the basis of the ex-factory cost of production per unit of produced by the Company, less excise duty, if any. As evidence of ex-factory cost of production per unit, the Company shall, produce a certificate from a Cost Accountant (in practice), who is not a director or an employee of the Company. The said ex-factory cost of production in rupees will be adopted for determining the amount of liquidated damages payable in case of failure and/or negligence or inability of the Company to fulfil the export obligation but the amount calculated on the above-mentioned basis will not be used for any other purpose or for claiming any benefit on such exports (effected directly or through the State Trading Corporation of India Ltd., or some other agency) under any scheme.

6. The value and/or the quantity representing the difference between the stipulated annual export commitment/obligation and the actual exports made and also the amount representing 5 percent of the annual export obligation by way of liquidated damages shall be determined by the Joint/Deputy Chief Controller of Imports and Exports, or the Chief Controller of Imports and Exports, New Delhi and the decision made by any of the said authorities shall be final and binding on the Company. While determining the value and/or quantity the said authority, if considered necessary, may on his discretion give opportunity to the Company to produce such evidence as it can in support of the determination of the value and quantity for this purpose.

7. If in any year the Company exports in excess of percent of its output as required in terms of the conditions laid down herein, such excess, may be set off against the shortfalls, if any, in subsequent year(s).

8. In the event of the Company failing and on neglecting to fulfil the obligations on its part in any year, save and except only when the fulfilment of such obligations was prevented or delayed, because of or due to any law, order, proclamation, regulations or ordinances of the Government, the Government will be entitled and be at liberty to take possession of produced by the Company to the extent as indicated in clause 6 above and take such other action as it may consider necessary in addition to recovering liquidated damages. Any order issued by the Government in this regard shall be final and binding on the company which hereby undertakes to comply unconditionally with such an order.

9. The stamp duty, if any, chargeable on these presents or any documents executed hereunder shall be borne exclusively by the Company.

In Witness Whereof the Common Seal of has been hereunto affixed and for and on behalf of the President of India Shri has set and subscribed his hands herunto.

Common Seal of the within named Company has been affixed hereunto in the Presence of (i) Shri Director & (ii) Shri Director who have been duly authorised for the purpose by a resolution of Board of Directors of the Company passed at the meeting held on and who have signed in presence of :—

Signature :—

(i) (Residential Address)
(ii) (Residential Address)

1 (name, designation & address)

2 (name, designation & address)

Signed for and on behalf of the President of India by Shri in the presence of :—

1 (name, designation & Address)

2 (name designation & Address)

PART-III

FORM OF LEGAL AGREEMENT

(For execution by Limited Companies involving export obligation of multiple items in terms of some percentage of production)

AN AGREEMENT MADE THIS day of 197 Between a company incorporated under the Companies Act 1956 and having its Registered Office at (herein after referred to as "THE COMPNY" which expression shall include its successors and assigns) of the One Part and the PRESIDENT OF INDIA (hereinafter referred to as "GOVERNMENT" which expression shall include his successors in office and assigns) of the Other Part.

WHEREAS the Company has been granted an Import Licence No. dated for import of plant machinery and equipment of the c.i.f. value of M/s.

AND/OR WHEREAS Government have communicated vide to the Company (name of the foreign firm) the terms and conditions to their proposed foreign investment/technical collaboration arrangement with M/s.

AND/OR WHEREAS Government have communicated to the Company vide Letter of Intent No. dated the terms and conditions of acceptance of their proposal for a grant of industrial licence/substantial expansion of capacity.

AND WHEREAS as a condition of the said import licence for plant and equipment/approval of foreign collaboration/licence under the Industries Act or letter of intent the Government has stipulated that the Company must earn foreign exchange by exporting percent of its production of annually for years (The precise condition would be approved in each case by the C. G. Committee/Foreign Investment Board/Licensing Committee).

APPENDIX 35—Contd.

Now It is Hereby Agreed And Declared by and Between the parties hereto as follows :—

1. The Company shall earn exchange by exporting..... percent of its products namely..... annually for..... years. Exports to Bhutan will not qualify for redemption of export obligation and exports to Nepal and Afghanistan, if made otherwise than against payment in free foreign exchange, will not qualify for redemption of export obligation. Exports made in breach of the foreign collaboration agreement, if any, will also not qualify for redemption of export obligation.

2. The above-mentioned export must commence from eighteenth month after the commissioning of the plant and equipment/commencement of production. The plant shall be commissioned within the date specified in the industrial (licence). The production must commence on and from the.....

3. The Company shall furnish a report within thirty days of the close of each financial year to the Chief Controller of Imports and Exports (Export Obligation Cell), New Delhi with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports, and another copy to the Government of India in the Ministry of Commerce Export Production Section, New Delhi giving in respect of the previous financial year (or part of financial year for the first year of operation of the export condition as per clause 2 hereof), the undermentioned information and particulars namely :—

- Production (in terms of quantity) in respect of each item produced, duly certified by a Chartered Accountant in practice who is not Director or an employee of the Company or is statutory auditor of the Company.
- Exports (in terms of quantity and f.o.b. value) with particular of goods exported, their quantity f.o.b. value, and countries to which exported, duly certified by Chartered Accountant in practice who is not director or an employee of the Company.
- Ex-factory Cost of production by the unit, less excise duty if any, in respect of each item produced duly certified by a Cost Accountant (in practice), who is not a director or an employee of the company. In the certificate, the Cost Accountant (in practice) shall also indicate the total ex-factory cost of production of all the items produced by the unit, less excise duty, if any

4. The Company shall also submit to the Chief Controller of Imports and Exports, New Delhi with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports within six months of the close of each financial year, bank certificates in original showing realisation of foreign exchange against exports made during the previous year in fulfilment of the export obligation, and such other documents as may be demanded by the Chief Controller of Imports & Exports, New Delhi, or the concerned Joint/Deputy Chief Controller of Imports and Exports, as further evidence in support of the foreign exchange earned in the previous year in fulfilment of the terms and conditions of this agreement.

5. The total export obligation will be determined in terms of value by taking the total ex-factory Cost of production of all the items produced, less excise duty, if any as certified by Cost Accountant (in practice). The exports actually made in terms of quantity will also be converted into value by taking the ex-factory Cost of production of the items exported, as certified by the Cost Accountant (in practice) less excise duty, if any. If the ex-factory Cost of production of the items exported as a percentage of the total ex-factory cost of production of all the items produced by the Company, is equal to the percentage of export obligation as imposed on the party/licences (in terms of quantity), then only the Company would be deemed to have discharged its export obligation.

6. If in any given year, the Company fails and/or neglects or is not able to Export..... percent of its output then in such an event the Company shall, on being called upon to do so by the concerned Joint/Deputy or Chief Controller of Imports and Exports, New Delhi, by letter, handover within thirty days from the date of the said letter to the State Trading Corporation of India Ltd., or such other person, firm or body corporate as the

Government or the Chief Controller of Imports and Exports, New Delhi, may nominate (hereinafter referred to as "THE AGENCY") equal to the difference between the stipulated annual commitment/obligation and actual exports of..... produced during the year (subject to a maximum of..... percent for that particular year) for export by the Agency at such prices as it is able to obtain abroad. The Company shall, in addition, pay simultaneously a sum equal to 5 percent of the export obligation subject to a maximum of Rs. 5 lakhs by way of "liquidated damages" to the Agency. The Agency after export and realisation of sale proceeds of the aforesaid..... as expeditiously as possible, shall give to the Company the rupee equivalent of the net foreign exchange earned by the Agency on such export after deducting such expenses (including the Agency's normal commission) which have been incurred by the Agency.

Where the export obligation is not fulfilled, the amount of liquidated damages will be calculated on the basis of the ex-factory cost of production less excise duty, if any. The actual goods to be handed over will be left to the choice of the export agency selected by Government and the total value of the goods to be handed over will be determined by taking the difference between the total ex-factory cost of production of the items produced by the Company and the ex-factory cost of production of the items actually exported or to be exported less excise duty if any.

The amount calculated on the above-mentioned basis will not be used for any other purpose or for claiming any benefits on such exports (effected directly or through the State Trading Corporation of India Ltd., or any other agency) under any scheme.

7. The value and/or the quantity representing the difference between the stipulated annual export commitment/obligation and the actual exports made and also the amount representing 5 percent of the annual export obligation by way of liquidated damages shall be determined by the Joint/Deputy Chief Controller of Imports and Exports or the Chief Controller of Imports and Exports New Delhi and the decision made by any of the said authorities shall be final and binding on the Company. While determining the value and/or quantity the said Authority may in his discretion if considered necessary give an opportunity to the Company to produce such evidence as it can in support of the determination of the value and quantity for this purpose.

8. If in any year the Company exports..... in excess of..... percent of its output as required in terms of the condition laid down herein such excess, may be set off against the shortfalls, if any, in subsequent year(s).

9. In the event of the Company failing and/or neglecting to fulfil the obligations on its part, if any year, save and except only when the fulfilment of such obligations was prevented or delayed, because of or due to any law, order, proclamation regulations or ordinances of the Government, the Government will be entitled and be at liberty to take possession of..... produced by the Company to the extent indicated in clause 7 above and take such other action as it may consider necessary in addition to recovering liquidated damages. Any order issued by the Government in this regard shall be final and binding, on the Company who hereby undertaken to comply unconditionally with such an order.

10. The stamp duty, if any, chargeable on these presents or any documents executed hereunder shall be borne exclusively by the Company.

In Witness Whereof the Common Seal of..... has been hereunto affixed and for and on behalf of the President of India Shri..... has set and subscribed his hands hereunto.

Common Seal of the within named Company has been affixed hereunto in the presence Signatures :—

- Shri (i) Director and (Residential Address)
- Shri (ii) Director who (Residential Address) have been duly authorised for the purpose by a resolution of Board of

APPENDIX 35—Contd.

Directors of the Company
passed at meeting held on.....
..... and who have signed in
the presence of :

1
(name, designation & address)

2
(name, designation & address)

Signed for over behalf of the
President of India by Shri.....
..... in
the presence of—

1
(name, designation & address)

2
(name, designation & address).

PART IV

FORM OF LEGAL AGREEMENT

(For execution by Partnership/Property firm in cases involving
export obligation in value)

(Applicable in the case of partnership firm)

An agreement made this day of
..... 197. Between (a) (name of the Managing Partner)
S/O
(b) (Name of the partner).....
S/O
(c) (Name of the partner).....
etc. carrying on the business in the name and style of
..... partnership firm registered under the India
Partnership Act and having its registered office at
..... hereinafter referred to as "THE FIRM"
which expression shall include its successors and assigns) of
the One Part and the PRESIDENT OF INDIA (hereinafter
referred to as "GOVERNMENT" which expression shall
include his successors in office and assigns) of the Other Party

(Applicable in the case of sole proprietary/proprietor
firm).

An agreement made this day of 197.
between (name/names of the sole Proprietor/Proprietor).....
S/O carrying on the busi-
ness in the name and style of a sole
proprietor/proprietor and registered under the Indian Partner-
ship Act, and having its registered office at
(hereinafter referred to as "THE FIRM" which expression
shall include its successors and assigns) of the one Part and the
PRESIDENT OF INDIA (herein after referred as GOVERN-
MENT which expression shall include his successors in office
and assigns) of the Other Part.

WHEREAS the firm has been granted an import licence
No. dated for import
of plant, machinery and equipment of the c.i.f. value of.....
.....

AND/OR WHEREAS Government have communicated
vide to the firm
..... (Name of the foreign firm)
the terms and conditions to their proposed foreign investment/
technical collaboration arrangement with M/S.....
.....

AND/OR WHEREAS Government have communicated
to the firm vide Letter of Intent No. dated the
terms and conditions of acceptance to their proposal for a
grant of industrial licence/substantial expansion on capacity

AND WHEREAS as a condition of the said import licence
for plant and equipment/approval of foreign collaboration,
licence under the Industries Act or letter of intent, the
Government has stipulated that the firm must earn foreign
exchange to the extent of Rs. lakhs
annually/over period of years (or export.....
..... percent of its products) annually for.....
years/until such time as the foreign exchange cost of project
for twice, or any other multiple, of the foreign exchange cost
of the project) amounting to Rs. lakhs
has been realised by way of export earnings. (The precise
condition be approved in each case by the C.G. Committee/
Foreign Investment Board/Licensing Committee).

Now It is Hereby Agreed and declared by and between the
parties hereto as follows :—

1. The Firm shall earn foreign exchange (to the extent
of Rs. (Rupees.....) by exporting
(not less than Rs. lakhs/percent of) its
product(s) namely, annually for....
..... years/till such time as the total foreign exchange ear-
ning realised from the export amount to Rs. Exports
to Bhutan will not qualify for redemption of Export Obligation
and Export to Nepal and Afghanistan, if made otherwise than
against payment in free foreign exchange will not qualify for
redemption of export obligation. Exports made in breach of
the foreign collaboration agreement, if any, will also not
qualify for redemption of export obligation.

2. The above mentioned export must commence from
eighteenth month after the commissioning of the plant and
equipment/commencement of production. (The plant shall
be commissioned within the date specified in the industrial
licence). The production must commence on and from the....
.....

3. The firm shall furnish a report within thirty days of
the close of each financial year to the Chief Controller of
Imports and Exports (Exports Obligation Cell), New Delhi, with
a copy to the concerned Joint/Deputy Chief Controller of Im-
ports and Exports, and another copy to the Government of India
in the Ministry of Commerce (Export Production Section),
New Delhi, giving in respect of the previous financial year (or
part of financial year for the first year of operation of the export
condition as per clause 2 hereof (the undermentioned parti-
culars namely :—

(a) Production (in terms of quantity as well as book value):
duly certified by a chartered Accountant in practice who
is not a partner or an employee of the firm or is the
statutory auditor of the firm.

(b) Exports (in terms of quantity and the f.o.b. value)
with particulars of goods exported, their quantity and
f.o.b. value, countries to which exported,
duly certified by a Chartered Accountant in practice
who is not Partner or an employee of the firm or is the
statutory auditor of the Firm.

4. The Firm shall also submit to the Chief Controller of
Imports and Exports with a copy to the concerned Joint/Deputy
Chief Controller of Imports and Exports, within six months
of the close of each financial year, bank certificates in original
showing realisation of foreign exchange against export made
during the previous year in fulfilment of the export obligation
specified herein and such other documents as may be demanded
by the Chief Controller of Imports and Exports or concerned
Joint/Deputy Chief Controller of Imports and Exports, New
Delhi, as further evidence in support of the foreign exchange
earned in the previous year in fulfilment of the terms and con-
ditions of this agreement.

5. If in any given year, the Firm fails and/or neglects or
is not able to export goods worth Rs. lakhs (.....
percent of its output) then in such an event the Firm shall on
being called upon to do so by the concerned Joint/Deputy Chief
Controller of Imports and Exports or Chief Controller of Im-
ports and Exports, New Delhi by a letter hand over within....
thirty days from the date of the said letter to the State Trading
Corporation of India Ltd. or such other person, Firm or body

APPENDIX 35—Contd.

corporate as the Government or Chief Controller of Imports & Exports, New Delhi, may nominate (hereinafter referred to as "the Agency") stock of equal to the difference between the stipulated annual commitment/obligation and actual exports (subject to a maximum of percent of the during the year, for export by the Agency at such produced prices as it is able to obtain abroad. The Firm shall, in addition, pay simultaneously a sum of Rs. lakhs. (This would be equal to 5 percent of the export obligation/subject to a maximum of Rs. 5 lakhs) by way of "liquidated damages" to the Agency after export and realisation of sale proceeds of the aforesaid as expeditiously as possible, shall give to the Firm the rupee equivalent of the net foreign exchange earned by the Agency on such export after deducting such expenses (including the Agency's normal commission, as have been incurred).

6. The value and/or the quantity representing the difference between the stipulated annual export commitment/obligation and the actual export made and also the amount representing 5 percent of the annual export obligation by way of liquidated damages shall be determined by the Joint/Deputy Chief Controller of Imports and Exports or the Chief Controller of Imports and Exports, New Delhi, and the decision made by any of the said authorities shall be final and binding on the Firm. While determining the value and/or quantity, the said authority, if considered necessary may on their discretion give an opportunity to the Firm to produce such evidence as it can in support of the determination of the value and quantity for this purpose.

7. If in any year the Firm exports in excess of percent of its output/in excess of Rs. as required in terms of the conditions laid down herein, such excess may be set off against the shortfalls, if any, in subsequent years.

8. In the event of the Firm failing and or neglecting to fulfil the obligations on its part in any year, save and except only when the fulfilment of such obligation was prevented or delayed, because of or due to any law, order, proclamation, regulations or ordinances of the Government, the Government will be entitled and be at liberty to take possession of the produced by the Firm to the extent as indicated in clause 6 above and take such other action as it may consider necessary in addition to recovering liquidated damage. Any order issued by the Government in this regard shall be final and binding on the Firm which hereby undertakes to comply unconditionally with such an order.

9. The stamp duty, if any, chargeable on these presents or documents executed hereunder shall be borne exclusively by the Firms.

In witness whereof the Rubber Stamp of Firm has been hereunto affixed and for and on behalf of the President of India Shri has set and subscribed his hand hereunto.

Rubber Stamp of the Firm

(Applicable in the case of Partnership Firm)

(a) Managing Partner

(a) Signature

Name.....
(Residential Address)

(b) Partner (b) Signature
Name.....
(Residential Address)

(c) Partner (b) Signature
(Residential Address)

WITNESSES

1. (name, designation and address)
2. (name, designation and address)
Signed for and on behalf of the
President of India by Shri.....
.....
in the presence of.....

1. (name, designation and address)
2. (name, designation and address)

Rubber Stamp of the Firm

Applicable in the case of sole proprietary/proprietor Firm.

Signature/signatures

Name of the Sole proprietor
or Names of all the Proprietors (Residential Address/
Address)

WITNESSES

1. (name, designation and address)
2. (name, designation and address)
Signed for and on behalf of the
President of India by Shri.....
.....
in the presence of.....

1. (name, designation and address)
2. (name, designation and address)

1. (name, designation and address)
2. (name, designation and address)

PART V

FORM OF LEGAL AGREEMENT

(For execution by Partnership/Proprietary Firm in cases involving export obligation of *Single* Item at certain percentage of production).

(Applicable in the case of Partnership Firm)

An Agreement made this day of
197 Between (a) (name of the Managing Partner)
S/O (b) (name of the partner)
S/O (c) (name of the partner)
S/O etc.
carrying on business in the name and style of
a partnership firm registered under the Indian Partnership Act and having its registered office at
..... (hereinafter referred to as "THE FIRM" which expression shall include its successors and assigns) of the one Part and the PRESIDENT OF INDIA (hereinafter referred to as "GOVERNMENT" which expression shall include his successors in office and assigns of the Other Part.

(Applicable in the case of sole proprietary/proprietary firm).

An agreement made this day of 197
Between (name/names of the sole Proprietor/Proprietors)
S/O
carrying on the business in the name and style of
a sole proprietary/proprietary firm registered under the Indian Partnership Act and having its registered office
..... (hereinafter referred to as "THE FIRM")

APPENDIX 35—Contd.

which expression shall include its successors and assigns of the One Part and the PRESIDENT OF INDIA (hereinafter referred to as "GOVERNMENT" which expression shall include his successors in office and assigns of the Other Part.

WHEREAS the Firm has been granted an Import Licence dated for import of plant, machinery and equipment of the c.i.f. value of.....

AND/OR WHEREAS Government have communicated vide to the Firm (name of the foreign firm the terms and conditions of their proposed foreign investment/technical collaboration arrangement with M/s.....

AND/OR WHEREAS Government have communicated to vide to the Firm (name of the foreign firm the terms and conditions of the proposed foreign investment/technical collaboration arrangement with M/s.

AND WHEREAS as a condition of the said import licence for plant and equipment/approved of foreign collaboration/licence under the Industries Act or letter of intent the Government has stipulated that the Firm must earn foreign exchange by exporting..... percent of its production of annually for

years (The precise condition would be approved in each case by the C.G. Committee/Foreign Investment Board/Licensing Committee).

Now it is Hereby Agreed and declared by and between the parties hereto as follows :—

1. The firm shall export..... percent of its annual production of for a period of years Exports to Bhutan will not qualify for redemption of export obligation and exports to Nepal and Afghanistan, if made otherwise than against payment in free foreign exchange will not qualify for redemption of export obligation. Exports made in breach of the foreign collaboration agreement, if any, will also not qualify for redemption of export obligation.

2. The above mentioned export must commence from eighteenth month after the commissioning of the plant and equipment/commencement of production. (The plant shall be commissioned within the date specified in the Industrial licence. The production must commence) on and from the.....

3. The Firm shall furnish a report within thirty days of the close of each financial year to the Chief Controller of Imports and Exports (Export Obligation Cell), New Delhi, with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports, and another copy to the Government of India in the Ministry of Commerce (Export Production Section), New Delhi, giving in respect of the previous financial year or part of financial year for the first year of operation of the export condition as per clause 2 hereof) the undermentioned information and particulars namely:

- (a) Production (in terms of quantity as well as book value) duly certified by a Chartered Accountant (in practice) who is not a proprietor or an employee of the Firm or its statutory auditor of the firm.
- (b) Exports (in terms of quantity and the f.o.b. value) with particulars of goods exported, the quantity and f.o.b. value and countries to which exported. duly certified by a Chartered Accountant in practice who is not a partner or an employee of the Firm or is the statutory auditor of the Firm.

4. The Firm shall also submit to the Chief Controller of Imports & Exports, New Delhi, with a copy to the concerned Joint/Deputy Chief Controller of Imports & Exports within six months of the close of each financial year, bank certificates in original showing realisation of foreign exchange against exports made during the previous year in fulfilment of the export obligation specified herein and such other documents as may be demanded by the Chief Controller of Imports and Exports or

the concerned Joint/Deputy Chief Controller of Imports and Exports New Delhi as further evidence in support of the foreign exchange earned in the previous year in fulfilment of the terms and conditions of this agreement.

5. If in any given year, the Firm fails and/or neglects or is not able to export percent of its production of..... then in such an event the Firm shall, on being called upon to do so by the Chief Controller of Imports & Exports, New Delhi or Joint/Deputy Chief Controller of Imports & Exports, by a letter, handover within thirty days from the date of the said letter to the State Trading Corporation of India Ltd., or such other person, firm or body corporate as the Government or Chief Controller of Imports and Exports, New Delhi may nominate hereinafter referred to as "The Agency") equal to the difference between the stipulated annual commitment/obligation and actual exports of..... produced during the year (subject to a maximum of..... percent of the production for that particular year) for export by the Agency at such price as it is able to obtain abroad. The Firm shall in addition pay simultaneously a sum of equal to 5% of the export obligation/subject to a maximum of Rs. 5 lakhs) by way of liquidated damages to the Agency. The Agency after export and realisation of sale proceeds of the aforesaid..... as expeditiously as possible, shall give to the Firm the rupee equivalent of the net foreign exchange earned by the Agency on such export after reducing such expenses (including the Agency's normal Commission) which have been incurred by the Agency. The amount of liquidated damages will be calculated on the basis of the ex-factory cost of production per unit of the items produced by the Firm..... less excise duty, if any. As evidence of ex-factory Cost of production per unit, the Firm shall produce a certificate from a Cost Accountant (in practice), who is not a partner or an employee of the Firm. The said ex-factory cost of production in rupees will be adopted for determining the amount of liquidated damages payable in case of failure and/or negligence or inability of the Firm to fulfil the export obligation but the amount calculated on the above mentioned basis will not be used for any other purpose or for claiming any benefit on such exports (effected directly or through the State Trading Corporation of India Ltd., or some other agency) under any scheme.

6. The value and/or the quantity representing the difference between the stipulated annual export commitment/obligation and the actual exports made and also the amount representing 5 percent of the annual export obligation by way of liquidated damage shall be determined by the Joint/Deputy Chief Controller of Imports & Exports, or the Chief Controller of Imports and Exports, New Delhi and the decision made by any of the said authorities shall be final and binding on the Firm. While determining the value and/or quantity the said authority, if considered necessary, may on his discretion give opportunity to the Firm to produce such evidence as it can in support of the determination of the value and quantity for this purpose.

7. If in any year the Firm exports..... excess of..... percent of its output as required in terms of the conditions laid down herein, such excess, may be set off against the shortfalls if any, in subsequent year(s).

8. In the event of the Firm failing and/or neglecting to fulfil the obligations on its part in any year, save and except only when the fulfilment of such obligations was prevented or delayed, because of or due to any law, order, proclamation, regulations or ordinances of the Government will be entitled and be at liberty to take possession of the..... produced by the Firm to the extent as indicated in clauses 6 above and take such other action as it may consider necessary in addition to recovering liquidated damage. Any order issued by the Government in this regard shall be final and binding on the Firm which hereby undertakes to comply unconditional with such an order.

9. The stamp duty if any, chargeable on these presents or any documents executed hereunder shall be borne exclusively by the Firm.

In Witness Whereof the Rubber Stamp of..... has been hereunto affixed and for and on behalf of the President of India Shri has set and subscribed his hands herunto.

APPENDIX 35—Contd.

(Applicable in the case of Partnership Firm)

Rubber Stamp of the Firm

- (a) Managing Partner (a) Signature
Name
(Residential Address)
(b) Partner (b) Signature
Name
(Residential Address)
(c) Partner (c) Signature
Name
(Residential Address)
etc.

WITNESSES

1. (name, designation and address)
2. (name, designation and address)
Signed for and on behalf of the President of India by Shri in the presence of.....
1. (name, designation and address)
2. (name, designation and address)

Rubber stamp of the Firm

(Applicable in the case of sole proprietor/proprietary firm)
Name of the Sole Proprietor or Names Signature/Signatures of all the Proprietor.
(Residential Address/Addresses)

WITNESSES

1. (name, designation and address)
2. (name, designation and address)
Signed for and on behalf of the President of India by Shri in the presence of.....
1. (name, designation and address)
2. (name, designation and address)

PART VI

FORM OF LEGAL AGREEMENT

(For execution by Partnership/Proprietary Firm involving export obligation of Multiple Items at certain percentage of production).

(Applicable in the case of Partnership Firm)

An agreement made this day of 197 . Between (a) (name of the Managing partner) S/o (b) (name of the partner) S/o (name of the partner) etc. carrying on the business in the name and style of a partnership registered under the Indian Partnership Act and having its

registered office at (hereinafter referred to as "THE FIRM" which expression shall include its successors and assigns, of the One Part and the PRESIDENT OF INDIA (hereinafter referred to as "GOVERNMENT" which expression shall include his successors, in office and assigns of the Other Part.

(Applicable in the case of sole proprietor/proprietary firms).

An agreement made this day of 197 . between (name/names of the sole Proprietor/Proprietors) S/o carrying on the business in the name and style of a sole proprietor/proprietary Firm registered under the Indian Partnership Act and having its registered office at (hereinafter referred to as "THE FIRM" which expression shall include its successors and assigns) of the One Part and the PRESIDENT OF INDIA (hereinafter referred to as "GOVERNMENT" which expression shall include his successors in office and assigns) of the Other Part.

WHEREAS the Firm has been granted an Import Licence No. dated for import of plant, machinery and equipment of the c.i.f. value of.....

AND/OR WHEREAS Government have communicated vide to the Firm (name of the foreign firm) the terms and conditions to their proposed foreign investment/technical collaboration arrangement with M/s.

AND/OR WHEREAS Government have communicated to the Firm vide Letter of Intent No. dated the terms and conditions of acceptance to their proposal for a grant of industrial licence/substantial expansion of capacity.

AND WHEREAS as a condition of the said import licence for plant and equipment/approval of foreign collaboration/licence under the industries Act or letter of Intent the Government has stipulated that the Firm must earn foreign exchange by exporting percent of its production of annually for years (The precise condition would be approved in each case by the C.G. Committee/Foreign Investment Board Licensing Committee).

Now it is Hereby agreed and Declared by and Between the parties hereto as follows :—

1. The Firm shall earn foreign exchange by exporting percent of its products namely annually for years. Exports to Bhutan will not qualify for redemption of export obligation and exports to Nepal and Afghanistan, if made otherwise than against payment in free foreign exchange, will not qualify for redemption of export obligation. Exports made in breach of the foreign collaboration agreement, if any, will also not qualify for redemption of export obligation.

2. The above mentioned export must commence from eighteenth month after the commissioning of the plant and equipment/commencement of production. (The plant shall be commissioning within the date specified in the industrial licence. The production must commence on and from the.....)

3. The Firm shall furnish a report within thirty days of the close of each financial year to the Chief Controller of Imports and Exports (Export Obligation Cell) New Delhi, with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports and another copy to the Government of India in the Ministry of Commerce (Export Production Section), New Delhi giving in respect of the previous financial year or part of financial year for the first year of operation of the export condition as per clause 2 hereof, the undermentioned information and particulars namely :—

(a) Production (in terms of quantity) in respect of each item produced, duly attested by a Chartered Accountant practice who is not a partner or an employee of the Company or is the statutory auditor of the company.

APPENDIX 35—*Contd.*

(b) Exports (in terms of quantity and f.o.b. value) with particulars of goods exported, their quantity, f.o.b. value, and countries to which exported, duly attested by a Chartered Accountant in practice who is not a director or an employee of the Company or is the statutory auditor of the Company.

(c) Ex-factory Cost of production by the unit, less excise duty if any, in respect of each item produced duly certified by a Cost Accountant (in practice) who is not a partner or an employee of the Firm. The certificate of the Cost Accountant (in practice) shall also indicate the total ex-factory cost of production of all the items produced by the unit, less excise duty, if any.

4. The Firm shall also submit to the Chief Controller of Imports and Exports, New Delhi with a copy to the concerned Joint/Deputy Chief Controller of Imports and Exports within six months of the close of each financial year, bank certificates in original showing realisation of foreign exchange against exports made during the previous year in fulfilment of the export obligation, and such other documents as may be demanded by the Chief Controller of Imports and Exports, or the concerned Joint/Deputy Chief Controller of Imports and Exports, as further evidence in support of the foreign exchange earned in the previous year in fulfilment of the terms and conditions of this agreement.

5. The total export obligation will be determined in terms of value by taking the total ex-factory cost of production of all the items produced, less excise duty, if any as certified by the Cost Accountant (in practice). The exports actually made in terms of quantity will also be converted into value by taking the ex-factory Cost of production of the items exported as certified by the cost Accountant (in practice), less excise duty if any. If the ex-factory cost of production of the items exported as a Percentage of the total ex-factory cost of production of all the items produced by the Firm, is equal to the percentage of export obligation as imposed on the party/licence (in terms of quantity then only the Firm would be deemed to have discharged its export obligation.

6. If in any given year, the Firm fails and/or neglects or is not able to export.....percent of its output then in such an event the Firm shall on being called upon to do so by the concerned Joint/Deputy or Chief Controller of Imports and Exports, New Delhi by a letter handover within thirty days from the date of the said letter of the State Trading Corporation of India Ltd., or such other person firm or by body corporate as the Government or the Chief Controller of Imports and Exports, New Delhi may nominate (hereinafter referred to as "THE AGENCY") equal to the difference between the stipulated annual commitment/obligation and actual export of..... produced during the year (subject to a maximum of percent) for that particular year) for export by the Agency at such prices as it is able to obtain abroad. The Firm shall, in addition pay simultaneously a sum equal to 5 percent of the export obligation subject to a maximum of Rs. 5 lakhs by way of "liquidated damages" to the Agency. The Agency after export and realisation of sale proceeds of the aforesaid..... as expeditiously as possible, shall give to the Firm the rupee equivalent of the net foreign exchange earned by the Agency on such export after deducting such expenses (including the Agency's normal commission) which have been incurred by the Agency.

Where the export obligation is not fulfilled, the amount of liquidated damages will be calculated on the basis of the ex-factory cost of production less excise duty, if any. The actual goods to be handed over will be left to the choice of the export agency selected by Government and the total value of the goods to be handed over will be determined by taking the difference between the total ex-factory cost of production of the items produced by the Firm and the ex-factory cost of production of the item actually exported or to be exported less excise duty, if any.

The amount calculated on the above mentioned bases will not be used for any other purpose or for claiming any benefits on such exports (effected directly or through the State Trading Corporation of India Ltd., or any other agency) under any scheme.

7. The value and/or the quantity representing the difference between the stipulated annual export commitment/obligation and the actual exports made and also the amount representing 5 percent of the annual export obligation by way of liquidated damages shall be determined by the Joint/Deputy Chief Controller of Imports and Exports or the Chief Controller of Imports and Exports, New Delhi and the decision made by any of the said authorities shall be final and binding on the Firm. While determining the value and/or quantity, the said Authority may in his discretion if considered necessary, give an opportunity to the Firm to produce such evidence as it can in support of the determination of the value and quantity for this purpose.

8. If in any year the Firm exports.....in excess of.....percent of its output as required in terms of the condition laid down herein such excess may be set off against the shortfalls, if any, in subsequent year(s).

9. In the event of the Firm failing and/or neglecting to fulfil the obligations on its part, if any yearsave and except only when the fulfilment of such obligations was prevented or delayed because of or due to any law, order proclamation regulations or ordinances or of the Government, the Government will be entitled and be at liberty to take possession of the..... produced by the Firm to the extent as indicated in clause 7 above and take such other action in addition as it may consider necessary in addition to recovering liquidated damages. Any order issued by the Government in this regard shall be final and binding on the Firm who hereby undertakes to comply unconditionally with such an order.

10. The stamp duty, if any, chargeable on these presents or any documents executed hereunder shall be borne exclusively by the Firm.

(Applicable in the case of Partnership Firm)

In witness thereof the Rubber Stamp of Firm has been hereunto affixed and for and on behalf of the President of India Shri has set and subscribed his hand hereunto.

Rubber Stamp of the Firm

(a) Managing Partner Name (Residential Address)	(a) Signature
(b) Partner Name..... (Residential Address)	(b) Signature
(c) Partner Name..... (Residential Address)	(c) Signature

WITNESSES

1.
(Name, designation and address)

2.
(Name, designation and address)

Signed for and on behalf of
the President of India by
Shri
in the presence of.....

1.
(Name, designation and address)

2.
(Name, designation and address)

APPENDIX 35—Contd.

(Applicable in the case of sole proprietary/proprietary Firm)

(PART VII)

*Form of Legal undertaking for Registered Exporters
for advance licences.*

Rubber Stamp of the Firm

FORM OF LEGAL UNDERTAKING

Name of the Sole
Proprietor or
Names of all the
Proprietors.

Signature/Signatures

(Residential Address/
Addresses).

An Agreement made this—day of—
197—between—, a company incorporated
under the Companies Act, 1956 and having its registered office
at—(hereinafter re-
ferred to as "THE COMPANY" which expression shall include
its successors and assignees) of the one part and the PRESIDENT
OF INDIA (hereinafter referred to as "GOVERNMENT",
which expression shall include his successors in office) of the
other part. WHEREAS the Company has been granted
an import licence/release order No.—
for import of raw materials and components of the c.i.f. value
of Rs.—AND WHEREAS as a
condition of the said Import licence/release order the Govern-
ment has stipulated that the—Company must earn foreign
exchange to the extent of Rs.—
over a period of—months from the date of
importation of the first consignment into India or the supply
of raw material by the canalising agency against the subject
licence/release order by exporting—;

WITNESSES

1.
(Name, designation and address)
2.
(Name, designation and address)

Signed for and on behalf of
The President of India by
Shri
in the presence of :—

1.
(Name, designation and address)
2.
(Name, designation and address)

Notes for guidance in the matter of executing of bonds/agreement.

- (i) Legal Agreement is to be signed on a non-judicial stamp paper of adequate value as applicable in the State concerned under the Indian Stamp Act.
- (ii) Legal Agreement is to be signed by two Directors duly authorised by the Board of Directors and two witnesses with their designation and address and common seal of the Company (to be affixed).
- (iii) Each page of the legal Agreement is to be signed by two Directors of the Company.
- (iv) In the covering letter under which the legal Agreements sent by the company to the C.C.I.&F/licensing authority, it should be mentioned that the signatures of the Directors and Witnesses and the common seal affixed are genuine or a Certificate to that effect from a Notary Public should be sent.

Now this agreement witnessed as follows :—

1. The Company shall earn foreign exchange for an F.O.B. value of Rs.—by exporting—
within a period of—months as afore-
said. (In the event of import licence/release order No.—
is not fully utilised by the said company then the export
obligation shall be proportionately sealed down). Exports
to Sikkim and Bhutan will not qualify for redemption of export
obligation as also export to Afghanistan and Nepal, if made
otherwise than against payment in free foreign exchange, will
not qualify for redemption of import obligation.

2. The Company shall furnish a report within one month of the
expiry of the said period of export obligation to the concerned
Jt./Dy. Chief Controller of Imports and Exports in regard to
exports made viz. the particulars of goods exported, their
quantity and f.o.b. value and the countries to which exported.
All this data shall be duly certified by a Chartered Accountant.

3. The company shall also submit to the concerned Jt./
Dy. Chief Controller of Imports and Exports within six
months of the expiry of the period of export obligation as aforesaid, bank certificates in original showing realisation of foreign
exchange against exports made— in ful-
filment of the export obligations and as such other documents
as may be demanded by the Jt./Dy. Chief Controller of Imports
and Exports as evidence in support of the foreign exchange
earned in fulfilment of the terms and conditions of this agree-
ment.

4. In the event of the Company is not able to fulfil the export
obligation undertaken by it as aforesaid, the Company shall, on
the instructions of the concerned Jt./Dy. Chief Controller of
Imports and Exports or the Chief Controller of Imports and Ex-
ports, New Delhi, shall hand over to the State Trading Corpora-
tion or such other agency as the Government including (C.C.I.
&E) may nominate (hereinafter referred to as the Agency)
equal to the difference between the stipulated export obligation
and actual exports in terms of F.O. B. value of the products to
be exported, for reexport by the Agency at such prices as is able
to obtain abroad. The Company shall, in addition, pay simul-
taneously a sum of Rs.—(this would be equal
to 5% of the export obligation subject to a maximum of Rs. 5
lakhs) by way of "liquidated damages" to the Agency. The
Agency(after exports and realisation of sale proceeds of the afore-
said products as expeditiously as possible) shall give to the Com-
pany Rupee equivalent of the net foreign exchange earned by the
Agency on such exports after taking such expenses (including the
Agency's normal commission) as has been incurred by the
Agency.

APPENDIX 35—*Concl'd.*

5. The F.O.B. value representing the difference between the stipulated export obligation and the actual exports referred to above and also the amount representing 5% of the export obligation by way of "liquidated Damages" shall be determined by the Jt./Dy. Chief Controller of Imports and Exports or Chief Controller of Imports and Exports and the decision of the said authority shall be final and binding on the company. While determining the value, the said authority will, if it is considered necessary, give an opportunity to the Company to produce such evidence as it can, in support of the determination of the value for this purpose.

6. In the event of the Company failing to fulfil the export obligation undertaken by it as aforesaid, except when the fulfilment of such obligation is prevented or delayed, because of any law, order, proclamation, regulations or Ordinance of the Government, the Government shall be free to take possession of the goods produced by the Company or of the imported raw material as the case may be, and take such action as it may consider necessary for the disposal/distribution in a manner and at a price as may be decided by the Government, in addition to recovering liquidated damages in terms of clauses. Any order issued by the Government in this regard shall be final and binding and the company hereby undertakes to comply unconditionally with such an order. Any stamp duties payable on this document or any documents executed thereunder shall be borne by the Company.

In Witness Whereof the Common Seal of
.....has been hereunto affixed and for and on
behalf of the President of India Shri.....
has set and subscribed his hands hereunto.

Common Seal of the
within named Company has been affixed hereunto

in the presence of (i) Shri

Signatures :—

Director and (ii) Shri (i).....

(Residential address)

Director who have been duly (ii).....
authorised for the purpose by a (Residential address)
resolution of Board of Directors of the Company.
of the Company passed at meeting held on
and who have signed in the presence of

1.....(name, designation &
address)

2.....(name, designation & address)
Signed for and on behalf of the President of India by Shri

..... in the presence of

1.....(name, designation & address)

2.(name, designation & address)

APPENDIX 36

(Vide Para 12)

DETAILS OF INFORMATION REQUIRED TO BE FURNISHED BY APPLICANT FOR REFUND OF APPLICATION FEE

1. TREASURY RECEIPT(S) AGAINST WHICH REFUND IS CLAIMED :
 - (i) No. & date of T.R.
 - (ii) Name of the Bank/ Treasury with location
 - (iii) Original T.R. (To be sent, if not already sent).
 2. DETAILS OF IMPORT APPLICATION PROPOSED TO BE SUBMITTED AGAINST THE TREASURY RECEIPT-MENTIONED IN COLUMN (1) ABOVE
 - (i) Description of goods in detail.
 - (ii) Value of the goods.
 - (iii) Name of country i.e. SCA/Rupee Area.
 - (iv) ITC Classification of the goods.
 - (v) Licensing period.
 - (vi) Category of importer i.e. Actual Users/Established Importers/Export Promotion Schemes Capital Goods/Ad-hoc etc.
 - (vii) Licensing Authority.
 - (viii) Sponsoring Authority (i.e. D. G. T. D., D. G. S. & D., certifying Authority in terms of Chapter IV of Import Trade Control Hand Book of Rules & Procedure 1976-77 (the name is to be mentioned).
 - (ix) IN CASE OF ACTUAL USERS :
 - (a) Whether borne on the list of DGTD as approved manufacturer & if so then:
 - (i) Name of the particular Industry (End Product) for which the stores are to be imported and Factory No. allotted by DGTD.
 - (ii) Whether or not any import application was submitted to the DGTD if so, application No. & date and action taken thereon may be furnished.
 - (b) IN CASE OF HOTEL REQUIREMENTS :
 Whether any import application submitted to the Dte. of Tourism & Civil Aviation, New Delhi & if so application No. & date may be furnished.
 - (c) IN CASE OF DIRECTOR GENERAL SUPPLY & DISPOSAL REQUIREMENT :
 Whether or not any import application was submitted to the DGS&D and if so application No. & date may be furnished.
 - (d) IN CASE OF RAILWAY REQUIREMENTS :
 Whether or not any import application was submitted to the Railway Liaison Officer, New Delhi & if so, No. and date may be furnished.
 - (e) IN CASE OF ACTUAL USERS COVERED BY PARA 78 OF THE IMPORT TRADE CONTROL HAND BOOK 1976-77.
 Whether or not any import application against the T. R., or any application for import of item and value mentioned in T.R. addressed to any Licensing authority mentioned in Chapter IV of Import Trade Control Hand Book of Rules & Procedure 1976-77 / Licensing Authority for grant of an Essentiality Certificate / Import Licences and if so, No. & date thereof may be furnished.
3. No. & date of communication, if any received in connection with issue of import licence from any of the authority in para 2 above and Licensing Authority.
4. No. date and value of fresh T. R., if submitted in lieu of T. R. for which refund is required.
5. Reasons for not applying for refund within a reasonable time of the deposit of the T. R.
6. Detailed reasons substantiating the claim as to why the proposed import application was not submitted to any of the Licensing Authority stated in para 2 above.

DECLARATION

We hereby on solemn affirmation declare that we have not submitted any application for the import licence or shipping bill or Custom Clearance Permit to any licensing authority/ against the T.R. No.....dt.....for Rs.

Signature of the applicant

NAME in Block Letters and Address

APPENDIX 37

Procedure for import of capital goods, raw materials, components and spares by units located in Santacruz Electronics Export Processing Zone, Bombay (SEEPZ)

1. Licensing authority :

The Deputy Development Commissioner (Imports & Exports), Santacruz Electronics Export Processing Zone will be the licensing authority to consider applications for import of capital goods, raw materials, components and spares.

2. Procedure for clearance of applications :

(a) Import of capital goods.

- (i) Application for import of capital goods by an industrial unit situated in SEEPZ should be made in quadruplicate in the prescribed Form 'E' and addressed to the licensing authority through the Member-Secretary, Santacruz Electronics Export Processing Zone, Ministry of Commerce, Udyog Bhavan, New Delhi irrespective of the value involved. A copy of the application should be sent by the applicant to the Development Commissioner, Santacruz Electronics Export Processing Zone, Bombay.
- (ii) The procedure for advertisement is not applicable in respect of such applications.
- (iii) Applications will be considered by SEEPZ Board, New Delhi, against foreign exchange allocation placed at its disposal.
- (iv) Applications approved by the Board will be forwarded by the Member-Secretary, SEEPZ, Board, to the licensing authority with necessary recommendations for issue of import licences subject to such conditions as may be stipulated.
- (v) The licensing authority will, in each case, intimate the number, date and value of the import licence to the Member-Secretary, SEEPZ Board, Ministry of Commerce, New Delhi and the Development Commissioner, SEEPZ, Bombay.
- (vi) Application for revalidation of CG licences may be made through the Development Commissioner, SEEPZ, Bombay, who will forward the same to the licensing authority with necessary recommendation.
- (vii) Application for amendment of CG licences may be made through the Member Secretary of the Board, who will forward the same to the licensing authority with necessary recommendation.
- (viii) Applications for import of office equipment and prototype may be made to the licensing authority through the Development Commissioner. Such application will be considered in terms of the normal import policy contained in the Red Book and the Import Trade Control Hand Book of Rules and Procedure.

(b) Import of raw materials, components and spares

- (i) To ensure uninterrupted supply of raw materials, components and spares to manufacturer-exporters registered with the Development Commissioner, Santa Cruz Electronics Export Processing Zone, Bombay, a special Open General Licence has been issued allowing imports of such goods into Santa Cruz Electronics Export Processing Zone, Bombay, without import licence. A copy of the Open General Licence is given in Annexure XII of Red Book (Vol. II).
- (ii) Under the said Open General Licence, no import Licence will be necessary for import of raw materials components and spare parts into Santa Cruz Electronics Export Processing Zone, Bombay, subject to the following conditions :—
 - (a) The import shall be only an actual user situated in the Santa Cruz Electronics Export Processing Zone, Bombay and registered as manufacturer-exporter with Development Commissioner, Santa Cruz Electronics Export Processing Zone, Bombay.

(b) The items to be imported shall be those which are required for use as raw materials, components or spares in the importer's own industrial unit in the Santa Cruz Electronics Export Processing Zone, Bombay.

(c) The imported items shall be used exclusively for export production.

(d) The importer shall maintain a proper account of import, consumption and utilisation of imported materials and of exports made by him, in the form prescribed by Government, and shall submit such account on a quarterly basis to the Development Commissioner, Santa Cruz Electronics Export Processing Zone, Bombay and to the licensing authority concerned, in the form and manner as may be laid down.

The importers are further advised to regulate their imports under the Open General Licence in such a way that they adhere to the value added criterion on the basis of which their project was approved by the Santa Cruz Electronics Export Processing Zone, Board. The Development Commissioner shall scrutinise the account at (d) above to see that the value added criterion is being observed.

(iii) As the import of raw materials, components and spares into the Zone has been placed on Open General Licence, the licensing authority will not entertain any application for such imports.

3. Conditions of import licences :

- (i) Import licences for capital goods, raw materials, components and spares etc. issued to the units in the Zone will be subject to the condition, *inter-alia* that the imported goods shall be used in the licence holder's factory in the Santacruz Electronics Export Processing Zone for export production.
- (ii) Any imported materials which cannot be used for export production for any valid reasons will not be allowed to be disposed of in any manner except with the prior written permission of the licensing authority.

4. Supplies from Domestic Tariff Area (DTA) to SEEPZ.

- (i) Supplies of capital goods, raw materials, components, tools, packaging materials and spare parts made from Domestic Tariff Area, to the units in SEEPZ will be eligible for import replenishment licences in accordance with the provisions of the import policy. For Registered Exporters as contained in Import Trade Control Policy (Red Book—Volume II) for the period April 1976—March 1977 provided :
 - (i) the goods supplied are manufactured in India;
 - (ii) the supplies are made at international price;
 - (iii) the supplier is a Registered Exporter and is otherwise eligible to the import replenishment licence under the policy in force; and
 - (iv) the supplies are made against a letter of authority issued by the Deputy Development Commissioner, SEEPZ, Bombay.
- (ii) Units located in the Zone desiring to procure any goods from DTA for export production should make separate applications to the licensing authority through the Development Commissioner for obtaining letter of authority, indicating the items and their value (No letter of authority will be required for such goods which are not required for export production).
- (iii) The essentiality for import of materials from DTA will be certified by the Department of Electronics. The Development Commissioner SEEPZ, will scrutinise the export prices at which the materials, in question are sought to be purchased by the unit in the Zone from DTA.

APPENDIX 37—Contd.

- (iv) Based on the above, the licensing authority will issue a letter of authority to enable the unit in the Zone to obtain supplies of goods of specified description and value from the DTA within a specified period. The letter of authority will, *inter-alia*, be subject to the condition that the goods, in question, shall be utilised in the factory of the letter of authority holder in the Santacruz Electronics Export Processing Zone for export production. An undertaking to this effect shall also be given by the applicant to the licensing authority along with his application for such letter of authority. Failure on the part of the letter of authority holder to comply with the condition of the letter of authority and the terms of the said undertaking shall render him liable for such action as may be taken against him in this regard.
- (v) The goods will be allowed entry into the Zone on the strength of the said letter of authority. At the time of entry of the goods into the Zone, the customs authority in the Zone will endorse the supplier's invoice to the effect that the goods covered by the invoices have been received in the Santacruz Electronics Export Processing Zone.
- (vi) The supplier of the goods can claim import replenishment licences under the import policy for Registered Exporters against such supplies. Import applications should be made to the Joint Chief Controller of Imports & Exports, Bombay, in the form appended to this annexure. The application should be supported by the following documents:—
- (a) A Treasury Challan for Rs. 50 - towards application fee.
 - (b) Photostat/attested copy of the letter of authority issued by the Dy. Development Commissioner (Imports & Exports), SEEPZ, on the basis of which the goods, in question, were supplied.
 - (c) Supplier's invoice duly endorsed by the SEEPZ customs authority to the effect that the goods covered by the invoice have been received in Santacruz Electronics Export Processing Zone.
 - (d) A bank certificate in the form and manner as prescribed in the Import Policy for Registered Exporters with a specific indication that it pertains to exports from D.T.A. to SEEPZ.
 - (e) Sales invoice duly attested by the Bank.
 - (f) A statement of exports in the form prescribed in the Import Policy for Registered Exporters.
 - (g) An undertaking/declaration in the form appended to this annexure.

Further details may be ascertained from the Development Commissioner, Santacruz Electronics Export Processing Zone or the licensing authority concerned.

For claiming import replenishment benefits, the supplier in DTA is required to get himself registered as an exporter in accordance with the provisions contained in paras 2-17, Part 'E', Section I of Red Book (Vol. II).

5. Sale in India against valid General Currency Area import licence:—

If a produce, the import of which is permissible according to the import policy in force, is manufactured in Santa Cruz Electronics Export Processing Zone, the same will be permitted to be sold in India against a valid General Currency Area import licence.

Procedure for import of capital goods, raw materials, components and spares by units located in KAFIZ, Gandhidham.

Licensing authority

The Controller of Imports & Exports, Kandla Free Trade Zone, Gandhidham will be the licensing authority to consider applications for import of capital goods, raw materials, components and spares.

Procedure for clearance of applications

(a) Import of Capital Goods

(i) Application for import of capital goods by an industrial unit situated in KAFIZ should be made, in duplicate, in the prescribed Form 'E', and addressed to the licensing authority through the Member-Secretary, KAFIZ Board, Ministry of Commerce, Udyog Bhavan, New Delhi, irrespective of the value involved. A copy of the application should be sent by the applicant to the Development Commissioner, Kandla Free Trade Zone, Gandhidham.

(ii) The procedure for advertisement is not applicable in respect of such applications.

(iii) Applications will be considered by KAFIZ Board, New Delhi, against foreign exchange allocation placed at its disposal.

(iv) Applications approved by the Board will be forwarded by Member-Secretary of KAFIZ Board, to the licensing authority with necessary recommendations for issue of import licences subject to such conditions as may be stipulated.

(v) The licensing authority will, in each case, intimate the number, date and value of the import licence to the Member, Secretary, KAFIZ Board and to the Development Commissioner, KAFIZ, Gandhidham.

(vi) Application for revalidation of CG licences may be made through the Development Commissioner, who will forward the same to the licensing authority with necessary recommendation.

(vii) Application for amendment of CG licences may be made through the Member Secretary of the Board, who will forward the same to the licensing authority with necessary recommendation.

(viii) Applications for import of office equipment and prototype may be made to the licensing authority through the Development Commissioner. Such application will be considered in terms of the normal import policy contained in the Red Book and the Import Trade Control Hand Book of Rules and Procedure.

(b) Import of raw materials, components and spares

Import of raw materials, components and spares into Kandla Free Trade Zone has been placed on Open General Licence. The licensing authority will not, therefore, entertain any application for such imports.

(c) Conditions of import licences

(i) Import licences for capital Goods, raw materials, components and spares etc. issued to the units in the Zone will be subject to the condition, *inter-alia*, that the imported goods shall be utilised in the licence holder's factory in the Kandla Free Trade Zone for export production.

(ii) Any imported materials which cannot be used for export production for any valid reasons will not be allowed to be disposed of in any other manner except with the prior written permission of the licensing authority.

(d) Supplies from Domestic Tariff Area (DTA) to KAFIZ

(i) Units located in the Zone desiring to procure any materials from DTA should make separate applications for the purpose to the Development Commissioner, indicating the items and their value.

(ii) While dealing with such applications, the Development Commissioner will see whether the supplies sought to be made in the Zone from the D.T.A. are essential for export production and will also scrutinise the prices at which the materials, in question, are sought to be purchased.

(iii) Based on the above, the Development Commissioner may issue a letter of authority to enable the unit in the Zone to obtain supplies of goods of specified description and value from the D.T.A. within a specified period. The letter of authority will, *inter-alia*, be subject to the condition that the goods, in question, shall be utilised in the factory of the letter of authority

APPENDIX 37—Concl'd.

holder in the Kandla Free Trade Zone for export production. An undertaking to this effect shall also be given by the applicant to the Development Commissioner along with his application for such letter of authority. A failure on the part of the letter of authority holder to comply with the condition of the letter of authority and the terms of the said undertaking shall render him liable for such action as may be taken against him in this regard.

(iv) The goods will be allowed entry into the Zone on the strength of the said letter of authority. At the time of entry of the goods into the Zone, the Customs authority in the Zone will endorse the supplier's invoice to the effect that the goods covered by the invoice have been received in the Kandla Free Trade Zone.

(v) The supplier of the goods can claim import replenishment licences under the Import Policy for Registered Exporters against such supplies. Import applications should be made to the Controller of Imports & Exports, Kandla Free Trade Zone in the form appended to this Annexure. The application should be supported by the following documents:—

- (a) A Treasury Challan for Rs. 50/- towards application fee.
- (b) Photostat/attested copy of the letter of authority issued by Development Commissioner KAPTZ, on the basis of which the goods, in question, were supplied.
- (c) Supplier's invoice duly endorsed by the KFT Zone Customs authority to the effect that the goods covered by the invoice have been received in KFT Zone.
- (d) A bank certificate in the form and manner as prescribed in the Import Policy for Registered Exporters with a specification that it pertains to exports from DTA to KFT Zone.
- (e) Sales invoice duly attested by the Bank.
- (f) A statement of exports in the form prescribed in the Import Policy for Registered Exporters.
- (g) An undertaking/declaration in the form appended to this Annexure.

(vi) For claiming import replenishment benefits, the supplier in DTA is required to get himself registered as an exporter in accordance with the provisions contained in paras 2-17, Part 'E', Section 1 of Red Book (Vol. II).

Further details may be ascertained from the Development Commissioner, Kandla Free Trade Zone or the licensing authority concerned.

ANNEXURE

APPLICATION FOR CLAIMING IMPORT REPLENISHMENT AGAINST SUPPLIES FROM D.T.A. TO UNITS IN SANTACRUZ ELECTRONICS EXPORT PROCESSING ZONE/KANDLA FREE TRADE ZONE.

1. Name of the applicant
2. Full postal address
3. Details of the supplies: (Description, quantity and value)
4. Serial No. of the goods in the Import Policy for Registered Exporters
5. Period during which supply was made
6. Import Replenishment claimed.
7. (a) No. & date of registration certificate :
(Copy of registration certificate to be furnished)
- (b) Whether applicant is registered as a manufacture exporter or merchant exporters

8. (a) Current IVC No. valid for the period of application
- (b) Previous IVC No.
- (c) If no IVC No. has been allotted, indicate the particulars of the application made, if any, for allotment of IVC No.
9. Details of the enclosures forwarded with this application
- (a)
- (b)
- (c)
- (d)
- (e)
- (f)

UNDERTAKINGS/DECLARATIONS

I/We hereby solemnly undertake/declare :—

- (i) Particulars stated above are correct;
- (ii) The goods as mentioned in this application have been supplied to in terms of the contracts secured by us.
- (iii) The supplies have been made at export prices.
- (iv) That no other application for import licence has been made or will be made in future against exports covered by this application.
- (v) The consignment(s)/parcel(s) have not been returned. If at any time the exported goods are returned by the consignee necessary intimation shall be sent to the Development Commissioner, SEEPZ/KFT zone within one month thereof, who will, in turn, inform the licensing authority, to set off the value of import replenishment licence issued against future import licences due to me/us or to my/our nominees without prejudice to any other action that may be taken in this behalf.
- (vi) If, as a result of a scrutiny by the licensing authority at any time, any excess licensing payment is found to have been done/made to me/us or to my/our nominees against this application, the same shall be liable for being adjusted against future licences/payments due to me/us or to my/our nominees under any category without prejudice to any other action that may be taken in this behalf.
- (vii) I/We hereby undertake that any licence granted on the basis of this application shall be liable to cancellation without prejudice to any other action that may be taken in this behalf, if any information furnished in this application is found to be wrong or incorrect or misleading.
- (viii) I/We have not under-invoiced or over-invoiced our exports.

Signature :

Name in Block letters:

Designation :

Name of applicant firm :

APPENDIX 38

(Para 8 of Chapter II)

CHECK SHEET FOR REGISTERED EXPORTERS

1. *Applicant :*

- (a) Name of applicant
- (b) Whether manufacturer-exporter or merchant exporter or eligible export house.
- (c) Registering authority with whom registered.
- (d) Are all cols. of application duly filled in.
- (e) Is application duly signed.

2. *Items of export :*

- (a) Product Group.
- (b) Brief description of goods exported.
- (c) Classification of export product.
- (d) FOB value of exports claimed Rs.
- (e) Period of exports.

3. *Items of import:*

- (a) Rate of import replenishment claimed.
- (b) CIF value of import licence claimed.
- (c) Whether items of import are as per Col. 4, if so quote Para Number of Red Book (Vol. II) under which entitled to Col. 4 items.
- (d) Whether items of import are as per AU licence, if so, quote Para Number of Red Book (Vol. II) under which entitled to AU licence items.
- (e) Whether items of import as per sponsoring authority's recommendation, if so quote Para Number of Red Book (Vol. II) under which entitled to such items.
- (f) Other items asked for (Give Justification).

4. *Nominations* (Information to be given separately for each nominee)

- (a) Name of nominee.
- (b) Product manufactured for which nominated.
- (c) Whether A. U. licence of nominee produced
- (d) Is AU licence relevant to the product in (b) above.
- (e) Is AU licence for 1974-75, 1975-76 or 1976-77.
- (f) Is Registration Number allotted to the nominee by, DGTD or D/I or other sponsoring authority furnished.
- (g) Is IVC Number of nominee furnished.
- (h) Is Part 'B' of application duly filled in by nominee.
- (i) CIF value of REP licence claimed for the nominee.
- (j) Items to be imported by nominee:
 - (i) If as per Col. 4—give relevant Para Number of Red Book (Vol. II) under which entitled.
 - (ii) If as per AU licence—Give relevant Para Number of Red Book (Vol. II) under which entitled.
 - (iii) If as per sponsoring authority's recommendation—Give relevant Para Number of Red Book (Vol. II) under which entitled.

5. *Documents furnished :*

- (a) Total number of Bank Certificates furnished.
- (b) Are all Bank certificate in prescribed form.
- (c) Are all Bank certificates, marked (Original).
- (d) Has the bank certified FOB value of exports in the bank certificate.
- (e) Total Number of invoices furnished.
- (f) All invoices attested by bank.
- (g) Total number of shipping bills furnished.
- (h) Are all shipping bills authenticated by Customs.
- (i) Whether valid IVC Number quoted.
- (j) If not, valid previous IVC Number quoted.
- (k) Whether TR for Rs. 50/- furnished.
- (l) Whether copy of Registration Certificate furnished.
- (m) Whether 5 copies of list of goods to be imported furnished.
- (n) Whether AU licences furnished.
- (o) Are required declarations furnished.
- (p) Is recommendation of sponsoring authority furnished whether necessary.
- (q) Whether statement of exports furnished.
- (r) Are any other documents as per policy furnished if so, give list of such documents such postal receipts etc.

6. *General:*

- (a) Date of application.
- (b) Is application in time.
- (c) If Release Order wanted, whether the times and the value of each item have been indicated separately.
- (d) Whether the name of Customs house where the licence will be registered, has been indicated.
- (e) Is any debarment or suspension order under Imports (Control) Order or Exports (Control) order in force against the applicant or any of its directors/partners.
- (f) If application by branch office, has the required declaration been furnished.
- (g) Please read deficiency letter, if any, received in the previous import application and State whether similar deficiencies in this application have been removed.
- (h) If the licence has to be transferred to an eligible export house, has the consent letter of the export house been furnished along with the list of items to be imported and whether against each item the Serial Number of the relevant export product indicated in the list.
- (i) Has the relevant policy been studied and all its requirement met.
- (j) Any point on which particular attention of the licensing authority is sought to be invited.
- (k) If the contract for the goods exported was registered indicate:
 - (a) date of contract
 - (b) FOB value of contract registered
 - (c) date of registration of contract
 - (d) name of bank with whom registered.

Signature of applicant

Address

Date : _____

APPENDIX 38—Contd.

Check Sheet for Actual Users for Import of raw materials and components.

1. Applicant:

- (a) Name of applicant
- (b) Whether DGTD unit/SSI units for Non-DGTD/Non-SSI units.
- (c) Director of Industries or Sponsoring authority with whom registered as industrial unit.
- (d) Has registration Number allotted by the D/I or sponsoring authority been quoted in the application
- (e) Are all Cols. of application duly filled in.
- (f) Is application duly signed.

2. Industry :

- (a) Goods manufactured
- (b) Whether select industry or not.
- (c) If select Industry, the S. No. of the Industry in the list as given in Red Book (Vol. I)

3. Items of import—whether for automatic licence all the items are covered by the licences/release Orders issued for 1975-76.

4. Documents furnished:

- (a) Is consumption certificate furnished in prescribed form.
- (b) Is TR furnished (Give Number, and date)
- (c) Is valid IVC Number quoted (and IVC Memo furnished in the case of Non-SSI and DGTD Units)
- (d) If no valid IVC Number quoted, has previous IVC Number quoted (and IVC Memo furnished in the case of Non-SSI & DGTD Units)
- (e) Whether 5 copies of list of items to be imported furnished.
- (f) Are required declarations furnished.
- (g) Other documents furnished (Give list)

5. Previous licences/Release Orders Issued for 1975-76

- (a) Total value of licences for raw materials and components issued for 1974-75.
- (b) Break-up of the value in (a) into different modes of Foreign Exchange
- (c) Total value of Release Orders for raw materials and components issued for 1975-76
- (d) Break-up of value in (c) into different canalising agencies.

6. General :

- (a) Date of application
- (b) Is application in time.
- (c) For canalised items, whether the items for which release Orders are required and the value of each item have been indicated separately
- (d) Whether the name of the Customs House where the licence will be registered has been indicated.
- (e) Is any debarment or suspension order under Imports (Control) Order or Exports (Control) Order in force against the applicant or any of its directors/partners
- (f) Please read deficiency letters, if any, received in the previous import application and State whether similar deficiencies in this application have been removed
- (g) Has the relevant policy been studied and all its requirements met
- (h) In the case of supplementary licence, whether full justification and information as required in the policy has been given (For large scale units only)
- (i) Any point on which particular attention of the licensing authority is sought to be invited.

Signature of applicant
Address.

Date:_____

APPENDIX 38—Concl'd.

CHECK SHEET FOR REGISTERED EXPORTERS

(FOR GEM & JEWELLERY)

1. Applicant

- (a) Name of applicant
- (b) Whether manufacturer-exporter or merchant exporter or eligible export house :
- (c) Registering authority with whom registered :
- (d) Are all cols. of application duly filled in :
- (e) application duly signed :

2. Items of export :

- (a) Product Group :
- (b) Brief description of goods exported :
- (c) Classification of export product :—
- (d) F.O.B. Value of export claimed Rs.
- (e) Period of exports :

3. Items of import :

- (a) Rate of Import replenishment claimed :
- (b) C.I.F. value of import licence claimed :
- (c) Whether items of import are as per Col. 4, if so quote Para Number of Red Book (Vol.II) under which entitled to Col. 4 items :
- (d) Other items asked for (Give justification) :

4. Documents furnished :

- (a) Total number of Bank Certificates furnished:
- (b) Are all Bank Certificate in prescribed form.
- (c) Are all Bank certificates, marked (Original).
- (d) Has the bank certified FOB value of exports in the bank certificate,

(e) Total Number of invoices furnished :

(f) All invoices attested by Bank :

(g) Total Number of shipping bills furnished.

(h) Are all shipping bills authenticated by Customs.

(i) Whether valid IVC Number quoted.

(j) If not, valid previous IVC Number quoted .

(k) Whether TR for Rs. 50/- furnished.

(l) Whether copy of Registration Certificate furnished.

(m) Whether statement of exports furnished.

(n) Are any other documents as per policy furnished also, give list of such documents such postal receipts etc.

5. General :

(a) Date of application :

(b) Is application in time

(c) If Release Order wanted, whether the items and the value of each item have been indicated separately.

(d) Whether the name of Customs House where the licence will registered, has been indicated.

(e) Is any department under suspension order under Imports (Control) Order or Exporters (Control) Orders in force against the applicant or any of its directors/partners.

(f) If application by branch Office, has the required declaration been furnished.

(g) Please read deficiency letter, if any, received in the previous import application and state whether similar deficiencies in this application have been removed.

Date :

Signature of the applicant :

Address :.....

.....

APPENDIX 39

(Para 78)

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

IMPORT TRADE CONTROL

PUBLIC NOTICE No. 53-ITC(PN)/75 New Delhi, the 24th June, 1975

SUBJECT—Import Trade Control Hand Book of Rules and Procedure, 1975-76—Definition of Small Scale Industries.

Attention is invited to paragraph 78 (containing definition of Small Scale Industries) in Chapter IV, of the Import Trade Control Hand Book of Rules and Procedure, 1975-76 published under the Ministry of Commerce Public Notice No. 22-ITC(PN)/75 dated the 7th April 1975 on the above subject.

2. The following amendments may be deemed to have been made in the said paragraph 78:-

- (a) In sub-para (1), the existing abbreviation, figures and word "Rs. 7.5 lakhs" shall be substituted by "Rs. 10 lakhs."
- (b) In sub-para (2), the existing abbreviations, figures and words "Rs. 7.5 lakhs" shall be substituted by "Rs. 10 lakhs" and "Rs. 10 lakhs" shall be substituted by Rs. 15 lakhs".

3. Copies of the Ministry of Industry and Civil Supplies Notification dated 19th May, 1975 and the Press Note of the same date are appended to this public notice.

Sd/-

(B. D. KUMAR)

Chief Controller of Imports and Exports

Enclosure to Public Notice No. 53-ITC(PN)/75 dated 24-6-1975

(To be published in the Gazette of India Extraordinary Part II, Section 3, Sub-Section (ii) dated the 19th May, 1975).

GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY & CIVIL SUPPLIES
(DEPARTMENT OF INDUSTRIAL DEVELOPMENT)
New Delhi, the 19th May, 1975.

NOTIFICATION

S.O. IDRA/29B/75. In exercise of the powers conferred by sub-section (1) of section 29B of the Industries (Development and Regulation) Act, 1951 (65 of 1951), the Central Government hereby makes the following further amendments in the notification of the Government of India in the late Ministry of Industrial Development (Department of Industrial Development) No. S.O. 98(E)/IDRA/29B/71/1 dated the 16th February, 1973, namely:-

In the said notification,

- (i) in item (1), for the abbreviation, figures and word "Rs. 7.5 lakhs" the abbreviation, figures and word "Rs. 10 lakhs" shall be substituted;
- (ii) for item (2), the following item shall be substituted, namely:-

"(2) Undertakings having investments in fixed assets in plant and machinery not exceeding Rs. 15 lakhs and engaged in—

- (a) the manufacture of parts, components sub-assemblies, toolings or intermediates; or
- (b) the rendering of services; and supplying or rendering, or proposing to supply or render 50% of their production or the total services, as the case may be, to other units for production of other articles:

Provided that no such undertaking shall be a subsidiary of, or owned or controlled by any other undertaking."

F. No. 21(11) Li. Pol. /74.

Sd/-

(B. N. JAYASIMHA)

Joint Secretary to the Government of India.

PRESS NOTE

SUBJECT—Revision of definition of small scale industries and small scale ancillary industries.

The strategic role of small scale industries in the country's overall economic development has been recognised in the successive Five Year Plans. During the last two decades, over 400,000 small scale industries have been established all over the country and they have been satisfactorily meeting the demand for wide range of consumer goods, producer's goods, ancillaries and components. They have also facilitated the broadening of entrepreneurial base in the country and the decentralised pattern of industrial growth. However, in view of the steep increase in prices of capital equipment and of replacement costs, the need for an upward revision in the present ceilings in the capital investment in the definition for small scale industries, namely, Rs. 7.5 lakhs and for small scale ancillary industries, namely, Rs. 10 lakhs had become obvious. The question of revision of definition was discussed at great length at the 32nd meeting of the Small scale Industries Board held in November, 1974. The unanimous view of the Board was that the increase in the prices of capital equipment has made the present ceilings in the definition unrealistic and that a revision of the ceiling was necessary to facilitate the modernisation of existing small industries and the growth of new viable units in sophisticated lines of production. The Board recommended that the ceiling in investment in plant and machinery should be raised from the present level of Rs. 7.5 lakhs to Rs. 10 lakhs and that of ancillary units from Rs. 10 lakhs to Rs. 15 lakhs. The revised definitions recommended by the Board are as under:-

(i) *Small Scale Industries*

"Undertakings having investments in fixed assets in plant and machinery not exceeding Rs. 10 lakhs".

(ii) *Ancillary Industries*

"Undertakings having investments in fixed assets in plant and machinery not exceeding Rs. 15 lakhs and engaged in—

- (a) the manufacture of parts, components, sub-assemblies, toolings or intermediates; or
- (b) the rendering of services,

and supplying or rendering, or proposing to supply or render 50% of their production or the total services, as the case may be, to other units for production of other articles:

Provided that no such undertaking shall be a subsidiary of, or owned or controlled by, any other undertaking."

APPENDIX 39—Contd.

2. The Government of India have accepted the revised definitions recommended by the Board and decided to give effect to the decisions with effect from 1st May, 1975.

3. Apart from the increase in the monetary ceiling, the new definition for ancillaries involves change in the following important respects:-

- (i) Units producing intermediates will now be recognised as ancillaries.
- (ii) Units providing servicing facilities, e.g. sand-blasting, machining pressure cleaning, grinding, etc. will be recognised as ancillaries.
- (iii) The concept of "parent" unit will now include small scale industries also. Thus, one small industry can function as ancillary to another.
- (iv) A unit to be recognised as ancillary should supply or propose to supply at least 50% of its production to one or more parent units.

4. Certain clarifications and explanations on the definition of small scale industries have been issued from time to time by the Government and these stand valid for the revised definition too. They are the following:

- (i) In calculating the value of plant and machinery the original price paid by the owner, irrespective of whether the plant and machinery are new or second hand, will be taken into account.
- (ii) The cost of equipment such as tools, jigs, dies, moulds and spare parts for maintenance and the cost of consumable stores will be excluded in computing the value of plant and machinery. Similarly, the cost of installation of plant and machinery will also be excluded.
- (iii) In the case of imported machinery, import duty will be included, but not the miscellaneous expenses like transportation from the port to the site of the factory demurrage if any paid at the port and premium if any paid for import entitlement for import of machinery. However, shipping charges, customs clearance charges and sales tax should be included in computing the cost of plant and machinery.
- (iv) The cost of generating sets if any installed will be excluded. Similarly, the cost of extra transformers etc. which have to be installed by a unit as per the regulations of State Electricity Boards would also be excluded.
- (v) The Bank charges and service charges paid to the National Small Industries Corporation or to the State Small Industries Corporations will be excluded in computing the cost of plant and machinery.

5. The implications of the changes in the definitions are as follows:

- (i) All industrial units covered by the new definition, existing as well as those newly started, will be eligible to the facilities and concessions open to small scale industries, such as credit on liberalised terms, allotment of factory sheds/plots in industrial estates/industrial areas, supply of machinery on hire-purchase terms through the NSIC and State Corporations, participation in Government Stores purchase Programme, training and industrial extension services.
- (ii) All small scale industries and small scale ancillary industries covered by the revised definition should register themselves with their respective State Directorates of Industries. Such units will be allocated indigenous raw materials, wherever such practice prevails, from out of the quotas allotted to the State

Directors of Industries. Applications for indigenous raw materials for such units will be sponsored by the Directors of Industries.

However, small scale industries and small scale ancillary industries which were registered with DGTID prior to the introduction of the revised definition, will continue to receive assistance in the matter of raw materials through the D.G.T.D. as at present they will have the option to be State Directorates of Industries. They will apply for such transfer within six months of the date the revised definitions come into force. In all other facilities, these units will be treated as small scale industries with DGTID.

- (iii) All units which cross the limit prescribed in the definition of units by process of natural growth or by process of natural attrition with D.G.T.D. or of other units. The units engaged in the manufacture of items which are not eligible for the licensing provisions in the Small Scale Industries Regulation, 1973 dated the 16th February, 1973 issued by the Ministry of Industrial Development in the manufacture of items of small scale sector, units requiring for import of components and raw materials of the prescribed limits and special regulation will need a licence before crossing this limit. They will have to submit their application in the prescribed manner to the Secretariat for Industries in the Ministry of Industrial Development. In granting the registration with DGTID, the Government may impose export obligation on such units consistent with the policy of protection to the small scale sector.

Directors of Industries will keep a special watch over the units which are about to cross the upper limits of the definition so as to enable a smooth transfer of units from the Directorate of Industries to D.G.T.D./ technical authorities and that the units take timely action to obtain the C.O.B. licences, wherever necessary;

However, if a small scale unit wishes to have some more time for the transfer to the D.G.T.D. list, a grace period upto 2 years will be allowed during which period it will continue to enjoy all the facilities under the small industries programme. A special report on such units will be made by the Directors of Industries to the Development Commissioner, Small Scale Industries.

6. Government have separately issued notifications vide No. IDRA/29B/75 date 19th May, 1975 substituting the existing definitions for "small scale units" and "ancillary units" by the revised definitions for purposes of the Industries (Development and Regulation) Act, 1961.

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Ministry of Industry & Civil Supplies
(Department of Industrial Development)

No. 21(11)/Lic. Pol. /74.

New Delhi, the 19th

Forwarded to the Information Officer,
Bureau, Shastri Bhavan, New Delhi with the
publicity may be given to this Press Note.

